PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 311

HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTY-SECOND PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FORTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1997–98

COMPRISING PERIOD
27 April—8 May 1998

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OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-SECOND PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 7 MAY 1997]

FORTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 311**

EIGHTEENTH VOLUME OF SESSION 1997–98

House of Commons

Monday 27 April 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

SOCIAL SECURITY

The Secretary of State was asked—

Disability-related Benefits

1. **Mr. Elfyn Llwyd** (Meirionnydd Nant Conwy): How many meetings she has had in the past three months to discuss disability-related benefits with organisations representing the disabled; and if she will make a statement. [38475]

The Parliamentary Under-Secretary of State for Social Security (Mr. John Denham): During the past three months, my ministerial colleagues and I have met on 10 occasions with national organisations and umbrella groups representing people with disabilities.

Mr. Llwyd: I welcome the belated conversion of the Secretary of State and her Ministers to engaging in reasonable dialogue with disability groups. In the light of the admission by Ministers and civil servants to the recent Social Security Committee that there had been some bad errors of judgment in respect of decisions on the benefit integrity project, will the Secretary of State confirm that every single decision involving the withdrawal or lowering of benefits before 9 February will now be reviewed?

Mr. Denham: Yes.

Madam Speaker: I call Mr. Duncan Smith.

Mr. Iain Duncan Smith (Chingford and Woodford Green) *rose—*

Mr. Denham *rose—*

Mr. Duncan Smith: I have not asked a question yet. Perhaps the Minister would like to hear it before answering. During his meetings with various disability groups, was the subject of taxing disability living allowance raised and, if so, what was his opinion as to what should happen?

Mr. Denham: A wide variety of topics were discussed at those meetings. The hon. Gentleman will have seen that there is no such proposal in the welfare reform Green Paper.

New Deal (Disabled People)

2. **Mr. Mark Oaten** (Winchester): What estimate she has made of the number of people with disabilities who will be helped back to work as a result of the new deal programme. [38477]

The Secretary of State for Social Security and Minister for Women (Ms Harriet Harman): The new deal for the long-term sick and disabled aims to help the 1 million disabled people who are not in work, but who want to work.

Mr. Oaten: Does the Secretary of State agree with me and many disability groups that the £195 million allocated to the project is not enough to get disabled people back

to work? Does she accept that, although the numbers involved vary greatly, on average just £100 per disabled person will be made available? Will she give the House a commitment that if the project fails to get people back to work, in a year's time she will allocate more resources so that more disabled people can return to the work force?

Ms Harman: I welcome the hon. Gentleman's support for the aim of trying to help people with disabilities back to work. The £195 million that has been allocated is intended not to help all disabled people back to work, but to finance pilot projects to ascertain what works best to help people with disabilities or health problems get into work and stay there. However, I can give the hon. Gentleman and the House the undertaking that, when we find out what works, we shall roll it out nationally. It is seedcorn money for pump priming and its purpose is to find out what will work with a view to making it national.

Mr. Malcolm Wicks (Croydon, North): Does my right hon. Friend agree that we must be ambitious about the programme? In the borough of Croydon, people with serious learning difficulties, including young women with Down's syndrome, have been successfully placed in employment. Does my right hon. Friend agree also that we must consider the poverty traps that can affect people with disabilities, particularly those in residential care? Will her Department study the particular poverty traps facing people with severe learning difficulties who want to re-enter work?

Ms Harman: I thank my hon. Friend for making that point. We should be ambitious about the opportunities for people with learning and other disabilities to work when they want to do so. It is not good enough for us to write people off and not consider their capabilities and abilities. The Keyring project in my constituency helps people with learning disabilities to do what they consider an important job. The Shaw trust also provides a number of projects, as does Mencap, to help people with learning difficulties have the shape, self-respect and dignity of work in their lives. At present, the benefits system traps people with health or disability problems out of the labour market. In the Social Security Bill, we are taking powers to strip away the benefit disincentive and recognise, as we do for people on the jobseeker's allowance, the ambitions of people on incapacity benefit to work.

Mr. Nick Gibb (Bognor Regis and Littlehampton): When the Minister for Welfare Reform came before the Social Security Committee a couple of weeks ago—he came on his own on that occasion, which may, in retrospect, have been a mistake—he said that the Department of Social Security was conducting a survey into the incomes of recipients of disability living allowance. The Minister said that the reason for the survey was to assess whether it was worth while taxing DLA. Does the right hon. Lady agree with that approach? What is her opinion about whether DLA should be taxed?

Ms Harman: The hon. Gentleman is not engaging in the constructive opposition that we should like to see, as some hon. Members are. My right hon. Friend the Minister of State is being completely misquoted—he did not say that we were considering taxing DLA; he said that we needed the fullest information about people on benefits and their income levels. That is our responsibility, and one which we are discharging.

Mr. Dennis Skinner (Bolsover): Is my right hon. Friend aware that, for many years, there has been a system of providing welfare to work for disabled people, known as Remploy? During the 18 years of Tory Government, I went on marches with those disabled people round towns such as Alfreton, in an effort to prevent the Tory Government from closing Remploy factories. I suggest that, in her review, my right hon. Friend considers building more Remploy factories in other parts of Britain. There is no doubt that they work, and disabled people like to attend.

Ms Harman: I pay tribute to Remploy. In the years when the previous Government were not interested in concerns about opportunities for people with disabilities to work, Remploy carried forward that flag and provided much-needed opportunities. We are determined to build on the good work of Remploy. With the new deal for long-term sick and disabled people, Remploy's work will be to provide new challenges for people with disabilities.

Mr. Iain Duncan Smith (Chingford and Woodford Green): Given that the right hon. Lady has talked a great deal about what the Government are planning to do to bring disabled people back into work, and in the light of her comment about constructive opposition, will she tell us whether, given the new deal plans, she will be measured by whether unemployment among disabled people is lower at the end of this Parliament than it was at the beginning?

Ms Harman: We want to be judged on the success of our programme to help people with disabilities tackle the barriers between them and the world of work, so the answer to the hon. Gentleman's question is yes. We have four ways of dealing with that: first, active help to get people into work through the pilot projects that we have announced; secondly, removing discrimination in the benefits system against people on incapacity benefit; thirdly, the disabled persons tax credit, which will help to make work pay for people with disabilities; and fourthly, making the workplace disability friendly. Through that package of four thrusts of policy change, a greater percentage of people with disabilities will go into the world of work. Obviously, we must aim for a greater percentage because the figure will depend on how many disabled people there are.

Income Support

3. **Mr. Richard Burden** (Birmingham, Northfield): What assessment she makes of housing costs in setting levels of income support. [38479]

The Parliamentary Under-Secretary of State for Social Security (Mr. Keith Bradley): Help with housing costs for people receiving income support is given through specific allowances within income support, mainly for mortgage interest, and through housing benefit and council tax benefit. Those are assessed according to the circumstances of the individual concerned. Housing costs are not met through personal allowances and premiums within income support, and are thus not taken into account in setting the levels of those payments.

Mr. Burden: I thank my hon. Friend for that reply. I have been corresponding with him over the past few months concerning the non-dependant deduction rule whereby, if tenants in receipt of housing benefit have someone come to stay with them who does not qualify for housing benefit but is in receipt of income support, they could stand to have their housing benefit reduced by up to £7 a week. That is an anomaly; it implies that the personal element of income support contains an element for rent, which it does not. That can increase poverty among many of the families affected. Will my hon. Friend re-examine the interrelationship between housing benefit regulations and income support regulations, with regard to that particular rule?

Mr. Bradley: I am grateful to my hon. Friend for again raising that matter with me. As he rightly says, he has been in lengthy correspondence with the Department on the matter, and I assure him yet again today that the interrelationship between income support and housing benefit will be reviewed in the light of our general review of housing benefit and housing policy. I assure him that the matter that he has brought to my attention will be included in that review.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): In the spirit of constructive opposition, and on behalf—I guess—of the whole House, I acknowledge the Government's positive work on welfare to work generally. After the introduction of the working families tax credit, housing benefit, as currently constructed, will be the biggest obstacle to getting people off benefit and into work. The Minister said that there is a benefits review. When will the housing benefit review be completed? Will he give a guarantee that housing benefit will be reformed before the working families tax credit is introduced?

Mr. Bradley: I am grateful for the hon. Gentleman's constructive contribution. He is absolutely right to say that housing costs represent a significant barrier to a successful return to work under the welfare-to-work programme. I assure him that further work is continuing as fast as possible to ensure that we investigate clearly the implications of that barrier and the way in which housing benefit is structured. As soon as we have completed that analysis, we shall feed it through the housing review so that it is harmonised with other reform programmes, especially welfare to work, to ensure that any impediment to people moving successfully from welfare into the workplace is removed.

Mr. Dale Campbell-Savours (Workington): Are controls or further restrictions on rents in the private and voluntary sectors being considered as part of the housing and social security reviews? If they are not, tenants will be further punished at the end of the exercise.

Mr. Bradley: The review that we are undertaking is, as my hon. Friend is well aware, a joint review with the Department of the Environment, Transport and the Regions. I assure him that all aspects of housing benefit, and crucially the interrelationship between housing benefit and housing policy, will be considered. That obviously includes the level of rents. I assure him that his point will be brought to the attention of the review.

Poor Pensioners

5. **Mrs. Betty Williams** (Conwy): If she will make a statement on Government actions to assist the poorest pensioners during the last year. [38481]

The Secretary of State for Social Security and Minister for Women (Ms Harriet Harman): We have taken steps to help today's poorest pensioners, and want to ensure that all pensioners share fairly in rising national prosperity. Our pensions review is looking at how we can meet that objective.

Mrs. Williams: My right hon. Friend will be aware of the plight of pensioners and the problems that they face. I am sure that she is also aware of unnecessary worry caused to them by some inaccurate press reports, particularly over Christmas. Will she confirm that the basic state pension will remain the bedrock of future pension provision under this Government?

Ms Harman: I am happy to give my hon. Friend that assurance. The basic state pension will remain the foundation of income in retirement. We promised that in our manifesto; that is yet another of the promises that we are keeping. We also said that we would uprate the basic state pension at least in line with prices—and we have kept that promise, too. We have gone further than that to help pensioners with their income. We have cut VAT on gas and electricity, helped all pensioners with the cost of their winter fuel and, in particular, given extra to the poorest pensioners on income support. I know that one of the reasons why my hon. Friend is concerned about the matter is that about 80 per cent. of the poorest pensioners are women. She has been very concerned about that, in her constituency and in Wales.

Sir Sydney Chapman (Chipping Barnet): The right hon. Lady has talked about the reduction in the cost of domestic fuel. Will she confirm that poorer pensioners—indeed, all people—have received far more help not so much from the reduction in VAT on domestic fuel, which I reckon to be in the order of a third of 8 per cent., but from the significant decreases in gas and electricity prices since the privatisation of those industries?

Ms Harman: With the abolition of the gas levy, we have reduced costs even further. I should expect someone who wanted to increase VAT on gas and electricity to 17.5 per cent.—as the hon. Gentleman did—simply to brush to one side the problem many pensioners have with paying their fuel bills. One of the big problems is not fuel bills, but pensioners not having enough money in their pockets—even money to which they are entitled. As you will know from your work with your constituents, Madam Speaker, many pensioners who are entitled to income support do not claim it because they find the 35-page form too complicated, or because they are too proud to fill it in. We are also making progress in helping pensioners with their costs by ensuring that, at the very least, they get the income to which they are entitled.

Ms Claire Ward (Watford): Does my right hon. Friend agree that, although she has outlined important measures, many pensioners in this country, and in my constituency in particular, are concerned about the basic state pension

and want security now, and not just in the future, because they are living from day to day? When will the pensions review be completed? Will it provide for pensioners today, and not just for those of tomorrow?

Ms Harman: I set up the pensions review—a manifesto promise—in July, and it has been proceeding. The voice of pensioners has been at the heart of the review, and we have consulted with Jack Jones of the National Pensioners Convention and many other pensioners' organisations.

I am happy to confirm that today's pensioners are never off our agenda. We are not only keeping our commitment to uprating the state pension, but are looking at other ways in which we can help pensioners make ends meet. We are concerned about today's pensioners, and we reaffirm our commitment to the basic state pension. For the future, we want to be sure that people do not retire into poverty—as too many have done—when retirement means having to ask for benefits, rather than simply receiving the good pension to which everyone is entitled.

Mr. David Rendel (Newbury): The Secretary of State said that a number of pensioners are not claiming the income support to which they are entitled. Does that number include a large number of our most elderly pensioners? Would not the best way to help the poorest pensioners be to take up the suggestion of my hon. Friend the Member for Northavon (Mr. Webb) that an extra amount should be paid to the most elderly pensioners—those over 75, perhaps? Will the hints that we have been given by Ministers that the Government have this in mind come to fruition; if so, when?

Ms Harman: The hon. Member for Northavon (Mr. Webb) has played an important part and has made constructive proposals about how we can best target our help at those who need it most without giving people a sense of stigmatisation. The issue of the oldest pensioners—those who did not have a good occupational pension, or whose occupational pension has run out—is a problem which we are bearing in mind in our research project. We have set up nine pilot projects to discover which pensioners are not claiming their income support and how we can best get help to them. Focusing extra help on people when they reach a certain age is very much on the agenda.

Having looked at the 35-page form which pensioners of all ages are required to fill in to receive income support, I am amazed that as many as 1.5 million pensioners do claim income support. It should not be a case of asking people to put out their hands to prove that they are poor. Retired people feel that they are entitled to a decent income and that they should not have to prove that they are poor to get a decent standard of living. That is why we have the pilot projects; to get more automatic help to the poorest pensioners.

Ms Diane Abbott (Hackney, North and Stoke Newington): The Secretary of State has acknowledged the low take-up by some of the poorest pensioners of income support to which they are entitled. Does that not illustrate the problems of means-testing in the welfare system; not only do many people who need extra money not get it, but it encourages fraud and stigmatisation? Should we not be moving away from means-testing in the benefits system?

Ms Harman: We should be moving away from stigmatisation. People will not claim what they are entitled to if they feel that that will be embarrassing or humiliating and that they will have to go through hurdles and hoops. We are considering more automatic ways—which would avoid the stigmatisation of the means test—in which to help the poorest pensioners.

The Benefits Agency, the Contributions Agency, local authorities and the Department of Social Security have much data about people, but we have never put them together to ask how we can help the poorest pensioners. Using information technology and all the data that are stored, we can ask who is falling through the net and how we can help them without making them feel stigmatised. People should be entitled to the payments automatically; they should not have to jump all the hurdles. We may be able to achieve the objective, which I share with my hon. Friend, of getting more help to the poorest pensioners without stigmatising them.

Mr. John Swinney (North Tayside): In response to the question asked by the hon. Member for Watford (Ms Ward), the Secretary of State said that the needs of today's pensioners were never far from her mind. Did her Department make any representations to the Treasury before the March Budget to increase the basic state pension beyond the commitment to link it with prices?

Ms Harman: Hardly a day—no, an hour—passes without my Department making representations to, and holding discussions with, the Treasury.

Mr. Phil Hope (Corby): When the Green Paper on pensions reform is published, will there be the widest possible consultation on its findings? When the Government took office nearly a year ago, they discovered that 1 million pensioners had been abandoned—they were not claiming their pensions—by the previous Government, who had failed to provide a decent pension. Taking into account the cut in VAT on fuel and the extra winter fuel payments, have we not done more in the past 12 months than the previous Administration did in 18 years?

Ms Harman: We have already received 2,000 responses to the pensions review, which will be drawn together in a Green Paper. The publication of that Green Paper will signal an important round of consultation, which we intend to hold with hon. Members from both sides of the House and organisations outside the House.

Pensions reform cannot be done on the back of an envelope—it is a long-term issue. One of the problems that we inherited was that pensioners felt insecure—today's pensioners feel insecure and, because of the pensions mis-selling scandal, people who are still at work feel uncertain that their pensions will be sufficient to help them in retirement. We shall welcome constructive proposals from all sides, and consultation will be as full as possible, so that we can arrive at a proper settlement for welfare reform on pensions.

Mr. Iain Duncan Smith (Chingford and Woodford Green): Given the right hon. Lady's comments on income

support, measuring poverty and the means test, will she now—finally—take this opportunity to say whether the Government will means-test the basic state pension, regardless of whether it is universal?

Ms Harman: We said in our manifesto that the basic state pension would remain universal—it would remain the foundation of income in retirement for all. Therefore, it will be not means-tested, but uprated at least in line with prices. The hon. Gentleman constantly creates scares. Pensioners lost out by up to £20 a week as a result of the way in which Conservatives treated the basic state pension. We want to tackle the legacy of poverty and inequality.

Mr. Duncan Smith: Given that answer, will the right hon. Lady say whether she agrees with the Minister for Welfare Reform, who said, as recently as last week, that the attempts of Labour Members before and after the election to link poverty to take-up figures for income support were "cheap and futile"? Does she believe that she falls into that category?

Ms Harman: My right hon. Friend the Minister for Welfare Reform said neither thing. In his work on the Select Committee on Social Security when he was in opposition, he pointed out the number of pensioners who were falling through the net—we, too, highlighted that when we were in opposition. We shall proceed by ensuring a universal basic state pension and focusing more help on the poorest in retirement—that is what people think fair.

Good Parenting

6. **Mr. Alan W. Williams** (East Carmarthen and Dinefwr): What initiatives her Department is taking to promote good parenting. [38484]

The Secretary of State for Social Security and Minister for Women (Ms Harriet Harman): One of the key issues for parents, both mothers and fathers, is balancing work and family responsibilities, so family-friendly employment is a top priority for the Government. We are already taking action to provide high-quality child care for all families, and we shall ensure that parents can take time off from paid work to spend with their children.

Mr. Williams: The Government's rhetoric over the past few months has concerned lone parents who work, but does the Secretary of State accept that, in many couples with children, one parent, usually the mother, gives up work to look after them, and that those responsibilities fall doubly heavily when there is only one parent? Can she reassure me that the Government are fully supportive of couples in which one parent devotes the whole of her—it is usually her—time to looking after children and the family home?

Ms Harman: I can certainly give my hon. Friend that reassurance. We want to offer lone parents, and indeed all parents, more opportunities to work. One of the problems was that, although married women, who are not trapped in the benefits system, are able to return to work, particularly after the youngest child has started school, lone parents are often trapped into remaining on benefit, even though many have not been receiving any income from the father and have wanted to go back to work to increase the income for their children.

There is no question of our trying to compel women to do the best for their children by going out to work rather than staying at home. We want them to be able to decide what is best for their children, and we shall back them in whatever choice they make. In the past, they have not had sufficient choice.

Miss Anne McIntosh (Vale of York): Is the Secretary of State saying that she has no plans to introduce any element of compulsion whatever? Is she aware that her ministerial colleague, the hon. Member for Manchester, Withington (Mr. Bradley), said in a written answer on Friday that there were no figures for the control areas of the pilot scheme for lone parents? Is it sensible to proceed without having tested the figures, and on what basis do the Government plan to proceed in those circumstances?

Ms Harman: The hon. Lady raises two points. On the first, the new deal for lone parents is entirely voluntary. The previous Government simply said, "Stay on income support until your youngest child is 16. We don't assume that you've got any interest in going back to work and we're not going to give you any help." Our policy is to extend help to get lone parents into work and to provide child care so that, particularly once the youngest child is of school age, they can return to employment.

The second point concerns the evaluation of the new deal for lone parents. We have spent the best part of £1 million on an independent academic evaluation. The very choice of the eight areas in which we piloted the new deal was made so that we could match them with eight other areas where there was no new deal. The hon. Lady can look forward to the results of that academic evaluation later in May. We can measure the success of the new deal, and we have done so. I am sure that the results will be very encouraging for all those who are concerned that lone parents and their children should have a better standard of living.

Unemployed Home Buyers

7. **Mr. Steve Webb** (Northavon): What is her Department's long-term policy on the involvement of the state in funding the mortgage costs of unemployed home buyers. [38485]

The Parliamentary Under-Secretary of State for Social Security (Mr. Keith Bradley): We made it clear in the Green Paper on welfare reform that we are working with the industry to provide better protection for all home buyers, including the unemployed. We aim to develop a sustainable policy, in line with the eight principles underpinning the Government's approach to welfare reform. We shall consider state involvement in the provision of help with mortgage costs as work on reforms proceeds.

Mr. Webb: Is the Minister aware that the Minister for Welfare Reform said to me a month ago that the best form of protection for all home buyers is private insurance? Does he agree that that is a mistaken view, that there are many people for whom private insurance is not

appropriate and whom private insurers would not touch with a barge pole, and that there needs to be a continuing role for the state?

Mr. Bradley: There is an awful lot of quoting, or rather misquoting, going on today, which we shall examine carefully. Let me make it absolutely clear that we are working with the industry to ensure that products that are appropriate to meet the needs of people to protect their homes, and to protect themselves in their home ownership, will continue. We shall introduce proposals in line with that work as our welfare reform programme unfolds.

Mr. Peter L. Pike (Burnley): Does my hon. Friend accept that, in the short term, people still have problems under the present system, which often does not provide the correct range of interest because of standardisation and the fact that the standardisation update follows some time after a mortgage rate increase? Another problem which still exists is that we pay the benefit four-weekly, whereas most mortgage interest is paid on a monthly basis, making it difficult to calculate whether the correct payments are received.

Mr. Bradley: I understand the concerns of my hon. Friend and many others. The difficulty is in managing the complex administrative procedures and ensuring that people get help and support with mortgage housing costs. I am pleased to be able to tell my hon. Friend that the standard interest rate will increase from 7.97 to 8.34 per cent. from 24 May.

Social Security Tribunals

8. **Helen Jones** (Warrington, North): What plans she has to reform the system of social security tribunals. [38486]

The Minister for Welfare Reform (Mr. Frank Field): Our plans are detailed in the Social Security Bill.

Helen Jones: I thank my right hon. Friend for that reply. Does he agree that the present system imposes totally unacceptable delays on people? I shall give two examples from my constituency. One constituent lodged an appeal on 20 January and is still waiting to hear something. In an even worse case, an appeal was lodged on 8 July last year and was not even acknowledged as accepted by the Independent Tribunal Service until 8 January this year. Does my right hon. Friend agree that, in those cases, justice delayed is justice denied? As well as considering reform for the future, will he urge the ITS to do something to clear that backlog of cases, which is imposing a terrible burden on some of the poorest people?

Mr. Field: The answer to the first question is yes, as is the answer to the second question. Our proposals in the Social Security Bill are aimed at drastically speeding up the length of time that people have to wait between lodging an appeal and its being heard.

Mr. Dafydd Wigley (Caernarfon): Does the Minister recall a case which I discussed with him and about which I wrote to the Secretary of State—that of a constituent who, sadly, died earlier this month having been waiting 18 months for an appeal to be heard about a disability benefit for a disability from which he died? Is it not an absolute disgrace that the resources that should have been available to that person while he was alive were denied? What will the right hon. Gentleman do urgently to get that sorted out?

Mr. Field: The right hon. Gentleman makes the case for reform more effectively than I could.

Mr. Simon Burns (West Chelmsford): Has the right hon. Gentleman had an opportunity in the past few months to read the *Hansard* Standing Committee reports on the Social Security Bill from last autumn? What change between then and now has led his Department in another place to accept amendments tabled by the Conservative Opposition in Committee, which the Government refused to accept then, concerning having someone with legal representation as a member of a tribunal? In the spirit of constructive opposition and government, are the Government now also prepared to accept the important principle which we put forward in amendments—that we should not have one-member tribunals, in the interests of natural justice?

Mr. Field: I am grateful to the hon. Gentleman for illustrating to the House what a listening Government we have. I should have thought that he would congratulate the Government, rather than trying to carp.

Mr. Burns: What has changed?

Mr. Field: I will give the answer for a second time: this is a listening Government.

Landlord Fraud

9. **Dr. Brian Iddon** (Bolton, South–East): What action she has taken to tackle organised landlord fraud since 1 May 1997. [38487]

The Minister for Welfare Reform (Mr. Frank Field): We made it clear in our election manifesto that rooting out fraud is an essential part of our reform of welfare. We have already introduced regulations that give local authorities tough new powers to tackle fraudulent landlords and tightened the rules on paying benefit direct to landlords. That is another election pledge being fulfilled.

Dr. Iddon: I thank my right hon. Friend for that reply. In Bolton, up to 80 per cent. of rents paid to private landlords are paid directly by cheque, and I suspect that the figures are similar in other towns and cities. That creates the problem that tenants often leave premises without informing the local authority and the landlord does not inform the authority, for convenience or for other reasons. Does my right hon. Friend agree that we need tighter inspections of such premises to ensure compliance?

Mr. Field: I do. My hon. Friend's local authority concentrated its £20,000 challenge money on landlord fraud and has doubled its weekly benefits savings. I congratulate it on that.

Pensions

10. **Mrs. Virginia Bottomley** (South–West Surrey): When she last met representatives of the National Association of Pension Funds to discuss the Government's proposals for pensions. [38488]

The Parliamentary Under–Secretary of State for Social Security (Mr. John Denham): My right hon. Friend the Minister of State and I have met representatives of the National Association of Pension Funds on a number of occasions since the pensions review was launched last July, most recently at the annual council dinner on 11 February.

Mrs. Bottomley: Did the Under-Secretary hear the chairman of the Association of Consulting Actuaries warn recently of the damage inflicted by the Government on industry's willingness to support pension schemes? A year ago, the Government promised to support occupational pension schemes, but the result was a £5 billion raid without consultation. Was that another election pledge being delivered?

Mr. Denham: I should have found it difficult not to hear the comments of the chairman of the Association of Consulting Actuaries, as I sat next to him when he spoke. In my own remarks to that organisation, I made it clear that this country's future ability to pay pensions—in whatever form—depends critically on our developing sound economic policies, avoiding boom and bust and achieving the long-term investment needed to create wealth.

The measures taken in last July's Budget, including the cut in corporation tax, and our commitment to sound fiscal policies will produce the economic circumstances in which pensioners can be paid in future.

Mr. Edward Leigh (Gainsborough): The Minister for Welfare Reform told me in the Select Committee last week that the state retirement pension would remain universal for the lifetime of this Parliament. I am sure that the Under-Secretary will want to avoid any doubt on that point, which can perhaps be cleared up once and for all: will he confirm that the Government will not, in any circumstances, means-test the basic state retirement pension?

Mr. Denham: I do not think that the hon. Gentleman has been listening to earlier exchanges. Let me make it clear that we will honour the manifesto on which we were elected, as we have done on uprating and maintenance of the basic state pension as the foundation for retirement and on the many other measures that we have taken to help pensioners.

Mr. Paul Flynn (Newport, West): Did the National Association of Pension Funds agree that the best-value pensions in this country are paid by the state earnings-related pension scheme? Did it agree that the previous Government got away with damaging the value of SERPS because that was not appreciated by the general population and that our best way forward is to ensure that SERPS is well understood—as is the pensions points scheme in France—to pay index-linked pensions of superb value? Would the association also agree that the worst way to go forward with stakeholder pensions would be to entrust them to those who wickedly mis-sold personal pensions to millions of people?

Mr. Denham: In fairness, the National Association of Pension Funds would be more anxious to stress that the majority of those who enjoy security in retirement have a good second pension from an occupational scheme. However, I agree that one of the critical challenges for the pensions review is to ensure that each individual has the fullest possible understanding of his or her pension provision and of the available alternatives. The pensions education working group established by my right hon. Friend the Secretary of State in September is considering that and we hope to receive its conclusions shortly.

Winter Fuel Payments

12. **Mr. Desmond Swayne** (New Forest, West): How many people have not received their winter fuel payments. [38490]

20. **Mr. Ben Bradshaw** (Exeter): What steps her Department has taken to help pensioners with their fuel bills since 1 May 1997. [38499]

The Parliamentary Under–Secretary of State for Social Security (Mr. John Denham): All payments should now have been sent to eligible pensioners' homes or bank accounts, or issued to post offices for collection. An estimated 100,000 girocheques have not been collected from post offices. That may be for a variety of reasons, including death, hospitalisation and holidays, but the Benefits Agency will follow up each case to make every effort to ensure that the proper entitlement is received. We have committed a total of £400 million for last winter and the next to make winter fuel payments to help eligible pensioners with their fuel bills. This is the first time that any Government have provided automatic help to more than 7 million pensioner households with fuel bills to pay.

Mr. Swayne: The £850,000 television advertisement gave pensioners the impression that the cheques would drop through their letter-boxes. When they discovered that that was not the case and that they had to collect them, many people discovered that they could not cash them because they were already out of date. Why were the cheques issued with a four-week time limit on them?

Mr. Denham: For obvious security reasons, girocheques for Benefits Agency payments are normally time-limited. The advertising scheme was necessary to ensure that pensioners had the confidence to keep their heating on, and not be cold in the winter, because help was going to arrive.

Mr. Bradshaw: Will my hon. Friend confirm that the amount spent by the Government on winter fuel payments is larger than we would have spent had we restored the link with wages so scandalously abandoned by the Conservative party, with the added effect that the help has gone to those who need it most? Given that, will my hon. Friend consider extending the scheme beyond next year?

Mr. Denham: My hon. Friend is right to draw attention to the scale of the support that the Government have given

to pensioners. In doing that, we have given priority to the poorest pensioners, as we promised in our manifesto. We made a commitment to the operation of winter fuel payments last winter and next winter. A variety of initiatives is under way across government, examining, for example, utility regulation and energy conservation. We will take stock as the reviews come to conclusions on the best way to ensure that pensioners can heat their homes in winter.

Mr. Tim Collins (Westmorland and Lonsdale): Given that the Under-Secretary mentioned the advertising campaign, will he say why the contract for it was awarded, without going out to competitive tender, to an agency that just happened to have a close link to the Labour party?

Mr. Denham: The reason is that that agency was extensively used by the Conservative party in government. Since 1989, the agency has had a standing contract—I forget the technical term—with the Department, properly agreed under EC procurement regulations. We merely continued to use the same agency that the Conservative party used when it was in government.

Welfare Reform

13. **Mr. Tim Boswell** (Daventry): What representations she has received on the Green Paper on welfare reform since 26 March. [38491]

15. **Mr. Andrew Mackinlay** (Thurrock): What representations she has received from the Churches about the results of the Government's review of the social security benefits system. [38494]

The Minister for Welfare Reform (Mr. Frank Field): More than 100.

Mr. Boswell: I thank the Minister for Welfare Reform for that reply. As the Government's mood music accompanying their papers has suggested that those currently in receipt of benefits will not lose out, does it not follow that any process of welfare reform risks increasing the costs of an already expensive system? Has the Minister told the Chancellor or is the mood music unsustainable?

Mr. Field: At the end of last week, I wrote to all hon. Members to ask them to take the ideas of the Green Paper to their constituencies to consult party activists and other stakeholders in their areas. I look forward to receiving the hon. Gentleman's replies.

Mr. Mackinlay: Does the Minister recall in the correspondence that all candidates got in the general election the report of the Churches' inquiry into unemployment and the future of work? Will he take on board in the welfare review the strong message contained in that document that, although the right to work is inalienable—a right neglected by the previous Government—implicit in that is quality of work? People should have a right to work appropriate to their aspirations, skills and needs. That must be the objective of the Government. Will the Minister be mindful that people should have the right to safeguard and look after their families? There should not be a presumption that people must work while neglecting their other obligations.

Mr. Field: The Government believe that those who can work should work. We also believe that we have a duty to help people to achieve that objective. The Chancellor made it plain in his Budget that those who work would be better off in work. Although it is desirable that people find work that fulfils their talents to the full, their primary duty is to earn a wage to look after themselves and their families.

Ms Dari Taylor (Stockton, South): I ask my right hon. Friend to consider the response from some of my constituents in respect of reform of the welfare state. First, it is coming through loud and clear that both providers and users believe that reform is well and truly overdue; but, secondly, they are explicitly asking for an assurance that benefits staff will not only effectively administer reforms when those are in place, but do so with compassion.

Mr. Field: I was in my hon. Friend's constituency on Saturday. I was able to give her that assurance then and I give it to the House now.

Miss Julie Kirkbride (Bromsgrove): Does the Minister agree that one of the main objectives of the Government's welfare reforms ought to be to encourage more people to save more money for their old age? He has asked what our constituents think about his proposals and I can tell him that in Bromsgrove one of the major concerns among hard-working decent people who have saved hard for their old age is that they see others who are similarly elderly, but who spent their money during their working lives and now receive considerable benefits from the state to which those who did save are not entitled. They are angry about that and they would like to know what the Government's proposals are for reform in that respect.

Mr. Field: People saving adequately is one of our objectives in welfare reform. I very much agree with the second part of the hon. Lady's question.

Child Maintenance

14. **Mr. Bill O'Brien** (Normanton): What proposals she has to include capital from the sale of the matrimonial home in the assessment of child maintenance; and if she will make a statement. [38493]

The Parliamentary Under-Secretary of State for Social Security (Mr. Keith Bradley): Money from the sale of the matrimonial home that has been earmarked for a new home or to acquire furnishings is ignored for a year. Any interest and dividends received from other capital are taken into account in the calculation of assessable income. We are looking at all aspects of the child support scheme to see where improvements can be made, in line with our manifesto commitments. We intend to consult widely on the issues raised by our reform of child support.

Mr. O'Brien: I thank my colleague for that reply. I appreciate what he and the Secretary of State are doing to try to erase the bristling anomalies arising from the Child Support Agency which we inherited.

On the issue of capital derived from the sale of the home, the parent with care has to use that capital to provide a new home for the children, whereas, in many cases, the absent parent is allowed to retain their part of the capital without any expenditure or commitment. That anomaly, which acts against the care of the children, should be addressed and erased. I appreciate the Under-Secretary's saying that he will address that issue in the review, which I hope will be completed quickly.

Mr. Bradley: May I take this opportunity to thank my hon. Friend and many other hon. Members for their significant contribution to our review of the child support system? Their knowledge and experience from individual case work in their constituencies are extremely important in guiding us as we try to unravel the problems of the Child Support Agency. I assure my hon. Friend that his point is extremely important and it will be considered as part of the general review.

Mr. Nicholas Winterton (Macclesfield): The Under-Secretary referred to the CSA, but does he accept that it was set up with support on both sides of the House—not only the previous Conservative Government, but the Labour party, the Liberal Democrats and every other party in the House? Will he ensure that, in dealing with the matter, the House has more time and can consider what is to be done in a more measured way, so that we do not make the same prize error as we did when the House—not just the Government of the day—established the Child Support Agency?

Mr. Bradley: It is clear that the House agreed universally with the principle behind the Child Support Agency, but not with the way in which it has been set up and administered. I assure the hon. Gentleman that we shall take views from all sections of the House on the reform of the CSA. We shall take particular account of the views of the Select Committee on Social Security, which will have a valuable role in examining the proposals which we bring forward. We want to ensure that there is full consultation on the proposals so that we can try to unravel the mess that we inherited.

Fuel (VAT)

16. **Mr. David Heath** (Somerton and Frome): If she will calculate the impact of the measures contained in the Budget relating to VAT on fuel, and the consequent adjustments in benefits including the state pension, on the weekly income of a typical old-age pensioner not in receipt of income support. [38495]

The Parliamentary Under-Secretary of State for Social Security (Mr. John Denham): One of the first actions of the Government was to implement our manifesto promise to cut the rate of VAT on fuel, an issue which has been of particular concern to pensioners. As a result, on average, a typical single pensioner receiving the basic state pension will be 20p a week and a couple 25p a week better off.

Mr. Heath: Is not the import of what the Under-Secretary has just told us that the actual benefit for the average old-age pensioner of this much-fanfared measure is paltry? Is it any wonder that many people are saying that, whatever other merits this year's Budget may have had, it was not a Budget for the old-age pensioner?

Mr. Denham: I do not agree with the hon. Gentleman. The Conservatives in government attempted to establish VAT on fuel at 17.5 per cent. We carried out that manifesto commitment, but, in addition to carrying it out, we introduced winter fuel payments, at a cost of about £200 million this winter, and the same again next winter. Those were significant commitments to today's pensioners.

We have a wide-ranging pensions review, looking ahead at ways in which problems facing today's pensioners can be tackled in future, but I do not believe that anyone can fairly say that, in the months in which we have been in power, the Government have not done significantly more for pensioners than the previous Administration did.

Mr. John Bercow (Buckingham): What estimate has the hon. Gentleman made of the effect on the lives of old-age pensioners who do not receive income support, and who live in rural areas, of the Chancellor's decision to increase excise duty on petrol in the Budget?

Mr. Denham: The issues of transport will be addressed in the forthcoming transport White Paper. As I have said, we have taken action—*[Interruption.]*

Madam Speaker: Order. The hon. Member for West Chelmsford (Mr. Burns) has already asked a question. He should let the Minister answer.

Mr. Denham: The Conservative party has already forgotten its determination to make pensioners pay VAT on domestic fuel at 17.5 per cent., and no amount of trying to side with those in rural areas will divert pensioners' attention from that fact. The issue of rural transport will be addressed in the forthcoming transport White Paper.

Housing Benefit

17. **Mr. Crispin Blunt** (Reigate): What are the terms of reference of her Department's review of housing benefit. [38496]

The Parliamentary Under-Secretary of State for Social Security (Mr. Keith Bradley): Housing benefit is under consideration in the housing comprehensive spending review. The full terms of reference for the housing review were included in the press release issued by my right hon. Friend the Deputy Prime Minister on 24 July, which covered all the reviews being undertaken by the Department of the Environment, Transport and the Regions. Copies of the press release have been placed in the Libraries of both Houses.

Mr. Blunt: Earlier this afternoon, in reply to a supplementary question on Question 3 by the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), the Under-Secretary gave the illuminating reply that the housing benefit review would be published as soon as it was completed. I wonder whether, without being intrusive, I may press the Under-Secretary a little more.

Will the review be completed by July this year, or some time next year? Will Under-Secretary be a little more specific than "as soon as it is completed"?

Mr. Bradley: It would be extremely difficult to publish it before it was completed, but we shall complete it later this year.

Child Support Agency

18. **Mr. David Hanson** (Delyn): When she expects to publish the review of the Child Support Agency. [38497]

19. **Mrs. Anne Campbell** (Cambridge): What representations she has received about the reform of the Child Support Agency. [38498]

The Parliamentary Under-Secretary of State for Social Security (Mr. Keith Bradley): We believe that all children have the right to support from both their parents, wherever they live. That is why we are looking in detail at all aspects of the child support scheme to ensure that it provides an efficient and effective service to all our clients, as we promised in our manifesto.

In our consideration of child support, we have received representations from hon. Members, members of the public and a number of stakeholder groups. We aim to publish a consultation document setting out our proposals later this year.

Mr. Hanson: I thank my hon. Friend for that reply. Does he accept that the current child support system is failing children, parents and the staff who must administer it? Will he ensure that, whatever else comes out of the review, the system is simplified and made efficient, and that promptness in delivery of service to consumers is paramount?

Mr. Bradley: I should like to answer five loud yeses to those questions. I can assure my hon. Friend that, as I have said previously, all aspects of the Child Support Agency are under consideration, and we value the contributions made by hon. Members from both sides of the House.

Mrs. Campbell: Will my hon. Friend join me in deploring the appalling mess left behind by the previous Government which has caused untold damage to many of the most vulnerable people in society? When an absent parent abandons more than one family, the CSA as it is currently set up is unable to cope with the children of the second or the third abandoned family. Does my hon. Friend agree that that matter must be addressed urgently?

Mr. Bradley: My hon. Friend rightly highlights yet again the detailed complexity in the system. It needs simplifying and presenting in such a way that both partners understand not only the CSA formula, but its administration. We shall consider those matters carefully as the review continues.

UK Atomic Energy Authority

3.30 pm

Mr. Matthew Taylor (Truro and St. Austell) (*by private notice*): To ask the President of the Board of Trade whether she will make a statement regarding the resignation of Anthony Pointer as chief constable of the United Kingdom Atomic Energy Authority, and the reported threat to security at United Kingdom atomic energy installations due to staff shortages.

The Minister for Science, Energy and Industry (Mr. John Battle): I should inform the House that the chief constable of the United Kingdom Atomic Energy Authority constabulary, Mr. Anthony Pointer, resigned in late January, though the resignation takes effect from the end of this week. It occurred while discussion was under way in the UKAEA on the need for six extra police to be added to existing UKAEA numbers at Dounreay to increase the effectiveness of armed response capabilities at the site. At no stage has the chief constable expressed concern about the effectiveness of security at any other nuclear site.

Mr. Pointer tendered his resignation some months ago. The UKAEA and the adviser to the police authority, Sir John Woodcock, a former chief inspector of constabulary, attempted to dissuade him from resigning; but he resigned while the question of the constabulary complement was still under discussion in the UKAEA. Agreement to the six extra police that he had requested was concluded shortly thereafter. The agreement was reported to the police authority meeting in early February, where the chief constable, Mr. Pointer, declared himself satisfied with the extra staff numbers. The additional six police agreed are already in place at Dounreay and have been since March.

Mr. Taylor: Does the Minister agree that the information should have been brought to the attention of the House at an earlier stage—especially about the security concerns that the chief constable had about British nuclear installations? Can he confirm that that comes on the back of previous expressions of concern, not least in the previous year's annual report of the chief constable, about a one-third decline in numbers in the constabulary? Can he say whether the chief constable's concerns on staffing, which were expressed not only in January but on previous occasions, have been met?

Given the expression of concern by the British intelligence and police services and by the American Government about security at British nuclear installations, not least Dounreay, was it not incumbent on Ministers to give such information to hon. Members when a statement was made last week on the import of weapons-grade material to Dounreay?

Is not it time for a full inquiry—perhaps through a Select Committee or through Privy Council members, because of the sensitive nature of the issue—which should report to the House so that we can be satisfied that British nuclear installations are safe and secure as one of the world's largest depositories of plutonium?

Mr. Battle: We cannot call for a full inquiry when there is no problem. The chief constable agrees with that. These are operational matters for the UKAEA, but it was in the public domain some time ago that the chief constable had tendered his resignation.

Of course UKAEA constabulary numbers are lower than they were some years ago. The constabulary is at its full complement—the agreed strength of 470. That is the figure required for security to be in full command of the situation. The numbers are lower because there are now fewer nuclear establishment sites, so they do not need the numbers that there were in 1987.

Security is maintained in full conformity with international recommendations and requirements and with national standards. Those standards are kept under constant review by the Directorate of Civil Nuclear Security. The Director of Civil Nuclear Security who is responsible for the setting of standards of physical security on all sites and for auditing security overall has confirmed that he is content with the standard of security now in place at Dounreay and at all the other nuclear sites. I am sorry to disappoint the hon. Gentleman, but there is no problem.

Mr. Tim Boswell (Daventry): The House will accept that the detailed consideration of security matters is not best rehearsed in this place. However, does the Minister accept that we have a duty to ask, and he to give assurances in general terms, about the security of nuclear installations, the more so as the Government have this week taken on themselves the rescue of the material from Georgia and its transfer to Scotland on a non-returnable basis, in the interests of the security of that material and of the global community?

Can the Minister give the House these explicit assurances? First, is he satisfied that nuclear security at Dounreay and other establishments is and will remain adequate for any anticipated threat? Secondly, is the staffing of the Atomic Energy Authority police at the various establishments at all times maintained at an adequate level to deal with any perceived threat?

Thirdly, what considerations—again, in general terms—led to a recent increase in staffing levels, including the appointment of six extra officers at Dounreay? Did that proposal have the support of the UKAEA board, and will the board or the Department carry the cost of the extra staff? Did the proposal have anything to do with any paper or real exercises conducted on the security at Dounreay or other establishments?

Fourthly, did Mr. Pointer resign because of the staffing problems? If he thinks that they were being rectified, why did he not stay? It seems strange that a chief constable is being lost after only 18 months in the post.

Fifthly, is there not a case, which I hope the Minister will consider, for some further measure of independence and a higher profile than hitherto for the independent Directorate of Civil Nuclear Security? The director could then, in principle, draw attention to any failures whose disclosure he considered to be in the public interest, at least on the restricted basis with which we are becoming familiar in the case of security matters—for example, on a Privy Councillor level.

Finally, as the Government are fond of simplifying issues, will the Minister tell us explicitly which he is prepared to put first—nuclear security or the cost of securing that installation?

Mr. Battle: Security and safety at those establishments are paramount, as I made plain. The hon. Gentleman asked whether we are satisfied with security arrangements. The answer to his three questions is yes, yes and yes. We attach the utmost importance to security at Dounreay and all other sites.

The Directorate of Civil Nuclear Security is the standard setter and auditor of security in the civil nuclear industry. It works closely with the Department of Trade and Industry on a regular, almost day-to-day if not hourly basis from time to time, as the ultimate regulator of security in the industry. That is why I believe that matters are well under control.

I referred earlier to the full complement of 470 constables. That is regarded as satisfactory by the Directorate of Civil Nuclear Security. Of course, standards are kept under constant review.

As to the hon. Gentleman's question about the resignation of the chief constable, he was pressed to withdraw his resignation. Why he did not do so is obviously a matter for him. His request for extra police officers at Dounreay—which was under review by the UKAEA at the time—was agreed by the UKAEA management within days of the chief constable's resignation. At a police authority meeting this February the chief constable, Mr. Pointer, said that he was satisfied with the outcome of that review. Therefore, his failure to withdraw his resignation is obviously a matter for him.

Mr. Tam Dalyell (Linlithgow): Does my hon. Friend know whether the hon. Member for Truro and St. Austell (Mr. Taylor) who asked this mischievous question—and whose constituency is located some 700 miles from Dounreay—has taken the trouble to visit that facility and talk to Roy Nelson or the trade unions involved? Does he understand that trade unionists and others who work in those plants are extremely proud—and rightly so—of what they have achieved for Britain and what they can achieve for all people on the face of the planet? Is it not right that their case should be put properly and their pride in their industry registered by the House?

Mr. Battle: I am extremely grateful to my hon. Friend for that contribution—not least because he used the word "mischievous". I believe that it is irresponsible to be mischievous in this area. I have visited the site at Dounreay—I do not know whether Opposition Members have—and, on my recent visit, I saw the new inner security fence that has cost more than £1 million and the new state-of-the-art alarm systems that were installed last year. Judging from some comments in recent days and hours, one would think that there is no security. However, I am confident that the security systems are in place.

Mr. Douglas Hogg (Sleaford and North Hykeham): Will the Minister tell the House why we were not told in last Wednesday's statement about the chief constable's anxieties? Will the Minister tell the House whether the Prime Minister was aware of those anxieties when he entered into the secret agreement with President Clinton? Does the Minister understand that many of us find it difficult to reconcile his statement that all is well at Dounreay with the chief constable's determination to resign?

Mr. Battle: During negotiations about the number of constables at Dounreay, the chief constable proposed an extra six officers. It was agreed that those six officers would be put in place, and in February the chief constable declared that he was happy with that arrangement. Therefore, I cannot for the life of me understand why he persisted in resigning. That is why it is a matter for him and not for me.

It was well known at the time—it was in the public domain—that the chief constable had tendered his resignation. That was seen as an operational matter within the UKAEA as to how it organised its staffing complement in consultation with the Directorate of Civil Nuclear Security. The directorate has underpinned the decisions that were taken before this information came to light and before we accepted the Georgian high-enriched uranium. That uranium is being guarded properly at Dounreay—there should be no doubt about that—because the arrangements were put in place before it arrived.

Mr. Dale Campbell-Savours (Workington): For the second time in two weeks, there has been a reassuring statement to Parliament about these matters. The tabloid press reported at the weekend that an assault was carried out against a nuclear installation somewhere. Can the Minister confirm whether that report is true? If it is not, the record should clearly be put right.

Mr. Battle: There were many bits of information in the press and commentaries in the media during the weekend that were not true. Of course, security is tested and reviewed regularly. Fiction is occasionally reported—for example, that the Special Boat Services' report was ignored. That was absolutely fallacious. The service never participated in any security scenarios.

Mr. John Swinney (North Tayside): Does the Minister understand the public concern that will exist when, at a time when Ministers were conducting negotiations with the American Government about the transfer of enriched uranium to this country for storage and reprocessing at Dounreay, there was concern within the UKAEA at the level of security at Dounreay? Does the Minister not understand the public's difficulty in reconciling these two factors? Does he not believe that having made this statement, there should be some further independent scrutiny of the evidence that he has brought to the House, to guarantee that public concern can be fully allayed by an independent inquiry?

Mr. Battle: What was received from Georgia was a fragment of what was already stored, as I think was spelt out in previous answers. I would not be standing here if I felt that what was already stored was not securely and safely guarded. It is so guarded. There have been no security questions about Dounreay in recent months and weeks. The only issue was the complement of the constabulary, which was raised by the chief constable. The chief constable's advice to increase that complement by six was taken into account and implemented. I therefore do not believe that there is a need for a public inquiry into this matter.

To be as fair as I can to the hon. Gentleman, of course we must do our best to allay public fears and to ensure that nuclear establishments are properly secure. That is why security is regularly reviewed and tested in consultation with the civil nuclear security people.

Mr. Andrew Mackinlay (Thurrock): Is my hon. Friend aware that both in the previous Parliament and this one I raised the question of non-Home Office police forces and the fact that there is concern that, albeit perhaps unconsciously, commercial or quasi-commercial considerations can come into operational decisions relating to these forces? Is there not a case for a review of them and their stewardship?

Secondly, if, as my hon. Friend protests from the Government Dispatch Box, the chief constable resigned voluntarily after being persuaded to stay, can we be assured that no public money will be put up front in so-called compensation? If I take the Chiltern Hundreds or if someone resigns from the *Daily Mirror* or *The Daily Telegraph*, we go without compensation. If the chief constable has gone, presumably he is not going with a penny extra. He has resigned. He has quit his job, which he is entitled to do. There should be no additional emoluments. Can my hon. Friend confirm that that is so?

Mr. Battle: The chief constable's contract is with the UKAEA, not with the Department of Trade and Industry. It is a matter for the UKAEA contractually to sort out the arrangements when people resign. I simply leave it at that.

I share my hon. Friend's view in that I do not think—the point has been raised by Opposition Members, to be fair to them—that we should be engaged in a cost-cutting exercise. Rather, the opposite should apply. Security is paramount. I have checked the facts and figures and I am reliably informed that the overall funding for the constabulary has continued to rise year on year, even though numbers have fallen because there are fewer establishments.

Mr. Tim Collins (Westmorland and Lonsdale): I welcome the reassurances that the Minister has been able to give the House. Will he confirm for the record that he is entirely satisfied with the level and adequacy of security at Sellafield, near my constituency in Cumbria?

Mr. Battle: The answer is yes. To the best of my knowledge, no one has even raised that question. I give the hon. Gentleman the assurance for which he asks.

Drugs

3.48 pm

The President of the Council and Leader of the House of Commons (Mrs. Ann Taylor): With permission, Madam Speaker, I should like to make a statement on the Government's new anti-drugs strategy.

I am pleased to lay before the House today the Government's White Paper, "Tackling Drugs to Build a Better Britain", which sets out our strategy for the next 10 years.

I hope that there is no need for me to have to persuade the House that more effective action against drugs must be a priority. Illegal drugs are now more widely available than ever before, and children of all ages are increasingly exposed to them. Drugs damage health as well as education and employment prospects. Drug problems wreck families and relationships. Drugs are a major contributing factor to the crime that undermines communities and gets in the way of progress and prosperity.

Much has been done in recent years. The previous Government's strategy for England, "Tackling Drugs Together", was an important step forward, particularly in the creation of drug action teams, which were set up to create partnerships across the country to tackle the problem. Important progress has also been made in Scotland, Wales and Northern Ireland, which have their own distinctive strategies.

We will build on that valuable work. There are some signals that levels of drugs misuse are relatively stable across England and Wales as a whole. That suggests that drug misuse is neither inevitably bound to increase nor irreversible, but the problems remain acute, and a fresh long-term approach is now needed to galvanise our efforts and bring new energy and action to these challenges.

Drug problems are complex. There are aspects that require responses at different levels. Responsibility for action lies with many different Government Departments, statutory services, voluntary agencies, businesses, community groups and individuals. A partnership approach is therefore essential, and we must be consistent in the messages that we send out.

Drugs are often only part of a range of problems facing individuals or communities which have to be addressed. Too often, however, action is patchy, unco-ordinated, too short term or based on inadequate knowledge of what works or of what others are doing.

That is why the Government appointed Keith Hellawell as the UK anti-drugs co-ordinator, to pull together a more strategic response. He was an experienced senior police officer with considerable anti-drugs expertise. He and his deputy, Mike Trace, are providing a fresh perspective and ensuring that action against drugs is effective and consistent. They have spent the first few months of this year in an intensive review of existing drugs activity, consulting more than 2,000 organisations and individuals. The new strategy is based on their rigorous assessment of the problem, of what works, and, of course, what needs to be done to have a real impact.

The new strategy has four main aims: first, to help young people resist drug misuse to achieve their full potential in society; secondly, to protect our communities from drug-related, anti-social and criminal behaviour;

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thirdly, to enable people with drug problems to overcome them and live healthy and crime-free lives; and, fourthly, to stifle the availability of illegal drugs on our streets.

This year, we shall draw together clear, consistent and rigorous national targets against which to measure progress towards these aims. One of our early priorities will be to establish clear baselines for these targets.

Action will be comprehensive, combining firm enforcement with prevention. It will be linked to our wide-ranging programme to get people off benefit and into work, with reforms in the welfare state, education, health, criminal justice and the economy, and with work to tackle social exclusion. Enforcement against all illegal substances will continue, focusing, as necessary, on those who cause greatest damage.

The programme of action will include education for all young people, including primary-age children, to give them the knowledge and skills to resist drug misuse; information and support for parents; and programmes for young people who may be at high risk because of other social factors. It will include action to cut drug-related crime, including the piloting of drug treatment and testing orders; the disruption of local drugs markets; and crime reduction partnerships in local neighbourhoods. It will also include improvements to services for people with drug problems, especially young people, through health and community care; and it will include enhanced efforts to reduce the availability of drugs, with a focus on the activity that has most impact on our streets, using all our international and domestic resources.

The Government currently spend more than £1 billion on tackling drug misuse. Most of this is reactive—it tackles the consequences of drug misuse, not its causes. The White Paper proposes that, in the long term, the emphasis should shift towards prevention. We have to stop drugs problems before they start.

A detailed resource framework, building on this strategy, will be announced later in the year, but the Government have already shown their clear commitment to resources for fighting drugs. Last year, we extended the life of the drugs challenge fund. We reversed the proposed cut of 300 front-line Customs officers involved in anti-drug work, and, last month, we announced support from the single regeneration budget for 44 projects, which include prevention of drug misuse as one of their objectives. These range from a five-year drug prevention and regeneration scheme in the black country, to a seven-year partnership between the public and voluntary sectors in Kent, which aims to tackle the growing problems of drug and alcohol misuse.

In addition to this valuable activity, I can announce today that, for the first time, a proportion of assets seized from drug barons will be channelled back into the anti-drugs programmes. These assets have amounted to at least £5 million in each of the last five years. It is right that the profits from this evil trade should go back into tackling the problems that it generates.

The White Paper represents only a beginning. Continued development will be needed to translate its ideas into actions and achievements. Keith Hellawell and Mike Trace will oversee this programme, but their co-ordinating role does not take away from others the responsibility for tackling different aspects of the problem. We must all work together to tackle the scourge of drugs.

This week, the co-ordinators will embark on a nationwide tour to explain the radical new measures to those in the field, and to ensure that everyone is working together. They will, of course, be involving drug action teams who will be responsible for implementing the strategy on the ground. The co-ordinators will continue to work with Government Departments and key figures from the private and voluntary sectors, and they will keep in touch with parents, teachers and young people themselves to listen to their views and to learn from their experiences. They will ensure that anti-drugs work is relevant and effective. From 1999 onwards, the UK anti-drugs co-ordinator will present to Ministers an annual report and plan of action, setting out the progress made and the work still to be done.

This strategy is ambitious but realistic. It sets out clear and challenging new objectives, but it builds on good practice and on what we know works in the fight against drugs. It has partnership and common purpose at its heart. It will require commitment, effort and energy from everyone involved in its implementation. It provides an opportunity to make real progress over time against a destructive social problem, and I commend the White Paper to the House.

Mrs. Ann Winterton (Congleton): I begin by thanking the Leader of the House for her kind consideration in letting me have a copy of the new White Paper at lunchtime. It was very helpful indeed.

The Opposition welcome the publication of the White Paper "Tackling Drugs to Build a Better Britain", which outlines the Government's strategy on drugs for the next 10 years. We recognise that drug misuse is a huge, complex social problem. There are growing concerns about increases in drug trafficking. For example, recent figures revealed a 30 per cent. rise in drug-related offences in London, against an overall fall in crime. It is estimated that the increases in drug misuse and drug-related crime accounts for 50 per cent. of offences.

I believe that it would be helpful to establish common ground between both sides of the House and to reaffirm our support for a continuing commitment to legal deterrents and firm enforcement of the law by the police and Customs and Excise. There should be no soft message on drugs promoted from the House of Commons. We reaffirm our opposition to the legalisation of any currently controlled drug—such a move would send out the wrong signals and open the floodgates.

We welcome the fact that the Government are building on the undoubted success of the drugs strategy introduced in 1995 by the previous Leader of the House, who is now in another place, and supported by the right hon. Lady as shadow Leader of the House. "Tackling Drugs Together" provided a firm foundation on which to build, setting out, as it did, to take effective action by vigorous law enforcement, to provide accessible treatment, to place new emphasis on education and prevention, to increase the safety of communities from drug-related crimes and to reduce the acceptability and availability of drugs to young people and the health risks and other damage related to drug misuse.

When the appointment of the UK anti-drugs co-ordinator was announced last October, the point was clearly made that the same themes would be continued

and that the Government wished to build on the success of "Tackling Drugs Together" and not to demolish it. Against the background of the undoubted growth in drug misuse and the recent record seizures of heroin, there are high expectations of proposals in the new White Paper and a need not only for a clear long-term strategy, but for more immediate action.

As many hon. Members will wish to ask questions, I shall be as brief as I can. However, I have some questions for the right hon. Lady. The strategy that she has announced today involves many different professionals as well as those from the voluntary and charitable sector. What training will be made available, especially for those in education? How and on what time scale will it be delivered?

The programme of action includes young people at high risk. Who will be responsible for that action and by what means will it be achieved? What impact will the inclusion of drug education as part of the national curriculum have on other subjects? In other words, what will be lost as a result?

The right hon. Lady announced that national targets will be introduced in all priority areas and clear baselines will be established against which progress can be measured. How soon will that important information be available? Are there no comparable statistics available now that might prove useful?

How much money will be allocated to each target, and whence will this come? Will the Government provide any new money other than those extra funds from assets seized from drugs barons? Although I warmly congratulate the right hon. Lady on getting the Treasury to loosen its iron grip on such receipts, will she acknowledge that £5 million in each of the past five years is not a huge sum, bearing in mind the size of the task, and that a proportion of that sum is even less? What proportion will be made available and will she give an undertaking that if receipts rise, that proportion will not fall?

How will those resources be divided between education and enforcement? For example, will the enforcement agencies such as the police and Customs and Excise receive a share for their operational successes?

Will the right hon. Lady clarify the Government's policy on cautioning drug offenders, particularly for class A drugs?

Great store is placed on the drug treatment and testing orders, which are to be piloted before being introduced. Will the right hon. Lady confirm that they will not be available for at least two years? What action is being taken in the meantime, especially against drug pushers?

As drug abuse is a chronic, relapsing condition, will the right hon. Lady ensure that waiting lists for detoxification and rehabilitation programmes are reduced and that appropriate residential care, which has a measurable impact, is available, as well as care in the community from which the problem has often arisen?

What evidence can the Government produce to back up their claim that levels of drug abuse have stabilised?

The Government have asserted that they intend to be tough on crime and the causes of crime. If they are tough on drugs and those who push drugs, they will deserve and receive our full support for the measures that they introduce.

Mrs. Taylor: May I first welcome the hon. Lady to her Front-Bench responsibilities and thank her for her general comments and her welcome for the White Paper? On what is clearly common ground, I pay tribute to my predecessor, Tony Newton, who introduced the previous Government's strategy, which set the framework for us to build on.

The hon. Lady said that this is a huge, complex social problem, and we can all agree on that. She also mentioned the difficulties in London and the vast mushrooming of drug-related crime in certain areas. It is true that, overall, there has been an increase in drug-related crime and, in recent years, there has been an increase in drug taking, but the problems are concentrated in certain areas. We must be realistic and recognise that there are very few parts of the country that we could claim were free from the problems of drugs and drug-related crime.

The hon. Lady asked about legal deterrents and said that there should be no soft messages from this House. I agree. I have said that we should send out clear and consistent messages. We must remember that drugs ruin the lives not only of many young people and families but of people who live in those communities and who are secondary victims because they are the victims of crime, to which many young people turn to fund their drug taking.

The hon. Lady asked me specific questions about how we will implement the White Paper. In certain respects, she asked me to prejudge the next stage in consultation and implementation. She can rest assured that the professionals have been widely consulted and are very much in line with our thinking and the way in which we wish to take things further.

The hon. Lady specifically mentioned education and the need to train teachers, which we, of course, recognise. People undergoing teacher training are being told about the problems and are being helped to explain the issue to young children. Teacher training is, of course, an on-going process. We know from different experiences in different parts of the country that some areas have already developed very effective education packs. I visited a school in London this morning, where Project CHARLIE—Chemical Abuse Resistance Lies in Education—was being used to good effect. We can use and promote best practice so that all schools are able to get the benefit of experiences thus far.

The hon. Lady asked about targets, when they may be set and why we could not start immediately. We looked at the possibility of establishing targets as part of the White Paper, but the baseline information was simply not available in a way that would have given us confidence that targets would be realistic. It is always possible to set targets that can be met, but whether that means anything at the end of the day is another matter. We thought that it was right to spend time ensuring that the targets were relevant and realistic before jumping in. As a result, it is impossible to answer her question about how much money will go into each specific type of work, just as it is to give details of how seized assets may be used. However, I accept her recognition that allowing seized assets to be used in such a way is a significant step forward.

The hon. Lady asked about resources generally. Of course, resources are important in dealing with these problems. We must be realistic and acknowledge that this is the first time that any Government have had such a clear investigation into what is being spent on tackling the

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problem of drugs. We are trying to ensure that we have the full picture, because we want to know what works, what provides value for money and what kind of treatment is most effective. There is still some way to go in assessing all that, although, as I said in my statement, the Government have made their commitments on resources very clear by extending the drugs challenge fund, reversing cuts in front-line Customs officers, ensuring that drug projects are a priority in the single regeneration budget and, now, by the proposals on seized assets. Once the comprehensive spending review is complete, more can be said on the matter. We have laid out our principles, and they will guide us in future.

The hon. Lady asked about cautioning. Although we would not want to interfere with the way in which the police make decisions in any area or on any case, we would like more consistency—as, indeed, would many police officers. We recognise that cautioning has a part to play. We must ensure that we provide the most effective mechanisms for dealing with the problems. There must, therefore, be a degree of flexibility.

The hon. Lady asked me where the figures on possible stability in drugs problems had come from. They are from the previous British crime survey. Although there are signals that there may be some stabilisation in trends of drug taking, we must all be aware that the nature of drug taking may still be changing, which, in itself, may pose extra dangers for many young people.

Mr. Stephen Timms (East Ham): I warmly welcome my right hon. Friend's statement and the response of the hon. Member for Congleton (Mrs. Winterton), whom I welcome to the Opposition Front Bench.

Does my right hon. Friend agree with the all-party group on drug misuse about the importance of starting drugs education at primary schools, building up young people's resistance to drug misuse at an early stage? She made explicit—and I welcome that fact—the link between tackling drugs misuse and the Government's wider assault on social exclusion. How does she expect the Government's urban regeneration policy to boost the fight against the most damaging drugs in inner-city areas, such as the one I represent in east London?

Mrs. Taylor: I am grateful for my hon. Friend's comments, and I know that the all-party parliamentary group has been looking at the issues. I am glad that he welcomes what we have said about education in primary schools, as it is important that we integrate an awareness of drugs into school curricula at an early stage. That will not have an adverse impact on other parts of the school curriculum, because youngsters of that age already receive education about medicines, their bodies and respect for themselves. Drug education can be integrated into that, although it must be appropriate for the age group that any teacher is dealing with. As I have said, there are examples of projects that seem to work.

My hon. Friend asked about urban regeneration. We have incorporated drugs projects into the criteria for single regeneration budget money. The announcements we have made on SRB money show that we are serious about encouraging drug work in that field because, on many occasions, the people who take drugs are the same people who play truant, are excluded from school and do not get jobs. We need an integrated approach to the problem.

Mr. Simon Hughes (Southwark, North and Bermondsey): I join other colleagues in welcoming the White Paper and the Leader of House's statement. The White Paper is clear, comprehensive and does not sensationalise. Although my party continues to believe that a standing royal commission would have benefits in terms of giving non-political advice, this first report from the new drugs tsar is a good start and shows a promising way forward—particularly in pointing out the importance of moving the agenda from dealing with the causes of drugs misuse to the consequences.

Does the right hon. Lady envisage an increase in the amount of drugs treatment? Will she make sure that those who come to treatment through the health route do not find that their opportunities are blocked by those who are referred for treatment through the criminal route? Will drugs education be a matter of core curriculum teaching in primary and secondary schools? If so, how soon does she envisage that beginning? Can I push her on resources? If £5 million a year has been the amount collected—as it were—from drugs barons in past years, can she give any figure for the amount to be committed from that income to the anti-drugs battle? When will that begin? Will that amount be protected in the future? Is it new money?

Mrs. Taylor: I thank the hon. Gentleman for his welcome. He used the word "sensationalise", and it is important that we have sensible discussions about the problems without sensationalising them. I am glad that the House has reacted in that way today. He asked about treatment, and, clearly, there are pressures in terms of existing capacity. We want to ensure that those people who need treatment can get it at an appropriate stage. That is particularly important for younger people. If we can intervene earlier, it will be beneficial.

The hon. Gentleman mentioned the criminal route. My right hon. Friend the Home Secretary is piloting schemes to try to make sure that prisoners, or those who come into contact with the criminal justice system, can get the treatment they need. That will help individuals, but it will also help the communities that they may have been attacking to get money for their drugs habit.

Drug education should be incorporated into the existing national curriculum. The House should be aware that there is scope in the core curriculum—even at key stage 1—for young people to learn about medicines and about respect for themselves. Incorporating drugs education into that phase is important.

The money from seized assets will provide new resources. That will be not only useful—the money can be spent on extra treatments, for example—but important, as it will send out signals about how seriously we take the problem.

Mr. Paul Flynn (Newport, West): Does my right hon. Friend recall my writing to her a few months ago following a report in which doctors claimed that cannabis had unique medical benefits and that seriously ill people should be able to use it? Does she also recall the three people who came to the House some four years ago—a lady suffering from cerebral palsy who was taking

cannabis to alleviate her pains, the mother of a 20-year-old girl dying from cancer who had discovered that the available chemical drugs were turning her daughter into a zombie, but that she was lucid on cannabis, and a woman who was using cannabis to deal with the pain and indignities of multiple sclerosis?

My right hon. Friend said that the Government intend to continue to inflict the same punishments on cannabis users. Does not she agree that the message that the House is sending to those tens of thousands of seriously ill people who are using cannabis as a unique medicine is that they should either continue to suffer or go to a market that is controlled by irresponsible criminals, in which they have no control over the quality or the purity of what they take? Is not that message unfair and cruel?

Mrs. Taylor: We all sympathise with anyone who has a serious and debilitating illness, but the Government take the view that, at this stage, there is insufficient evidence to demonstrate the effectiveness of cannabis or cannabis derivatives as therapeutic agents—that view was also expressed by the British Medical Association in its recent report.

Research into both cannabis and cannabinoids can take place within existing Government policy and the legislative framework, in which procedures are laid down. Over the past year, the Home Office has received 27 applications for licences to carry out such trials—25 have already been approved. If people believe that some cannabis derivatives have therapeutic or medical benefits, they can follow procedures to take the situation further.

Mrs. Angela Browning (Tiverton and Honiton): Will the Leader of the House put in the Library details of the primary school projects that she has identified as successful? Will she confirm that the Government are examining best practice and results from primary education abroad? I am sure that she would agree that deciding what is appropriate for children of different ages is a sensitive and difficult issue.

Mrs. Taylor: I am grateful to the hon. Lady, and I am happy to provide any extra information that is required. She gives me the opportunity to mention the fact that we are today publishing guidance notes on some of the best practice and information that has been drawn up by the UK anti-drugs co-ordinator and his deputy on what is thought to work in different circumstances. She rightly says that we must be sensitive in dealing with the problem, as children do not react in the same way. We do not want to make drugs seem attractive, because they are daring, but we shall do children a grave disservice if we leave them in ignorance—we must provide appropriate education for all children and, indeed, for their parents.

Mr. Lawrence Cunliffe (Leigh): Has my right hon. Friend studied what some of us consider to be the resounding success of the American drug courts, which deal exclusively with drug addicts and users of all ages? There is a highly specialised network of professional advisers and therapists to make recommendations to the drugs judge, who, for many years, has investigated drug addiction. That seems to be the right way in which to proceed—there has been a 34 per cent. success rate in rehabilitation, partly through short, stiff sentences, which have proved to be a great deterrent to users. Will she, with the Home Office, set up an experimental court to establish whether such a system would be practicable in this country?

Mrs. Taylor: My hon. Friend mentioned drug courts. It is always difficult to take a feature from another country and simply translate it here, without taking account of the different systems and cultures. The drug testing and treatment orders that my right hon. Friend the Home Secretary is piloting are a British version of part of what my hon. Friend is talking about. We are piloting those schemes because we think that they could be important, but the long-term outcome must be our priority.

Mr. Nicholas Winterton (Macclesfield): I welcome the statement and the White Paper. I congratulate my hon. Friend the Member for Congleton (Mrs. Winterton) on her extremely robust performance at the Dispatch Box—I am sure that it will be the first of many—and the Leader of the House made an excellent statement.

Macclesfield is fortunate in having the Barnabas centre, which has had great experience as a drop-in centre and tries to wean young people, in particular, off drugs and to start the rehabilitation process. My local paper, the *Macclesfield Express Advertiser*, said that some young people in Macclesfield spend up to £1,000 a week to fund their drug addiction. Will additional resources be put into residential establishments, as I believe that they stand the best chance of explaining the evils of drugs and helping people to get rid of an addiction that costs this country so dear?

Mrs. Taylor: I thank the hon. Gentleman for his generous comments to both Front-Bench spokesmen. I am not surprised that we have heard about Macclesfield today. He referred to the important issue of some young people spending up to £1,000 a week to fund their drug habit. Of course, it is rarely their own money: the victims of crime fund the habit, and that is one of the reasons why we must give the problem a high priority.

The hon. Gentleman asked about residential establishments, which are, of course, an integral part of the treatment provision that must be available, but they are not the only answer and we must remember that those who are successfully treated in them must still be prepared to go out and live in the real world again. One problem is that people often go back into their old communities and some of the work is undone. Residential establishments have a role to play, but so do many other types of development, because the problem is extremely complex.

Mr. John McDonnell (Hayes and Harlington): This morning, I visited the Mount prison in Hemel Hempstead, which detains two of my constituents. Like every other prison in the country, it is bedevilled by a sizeable drug problem, but I was pleased to note the attempts that the governor and prison officers are making to introduce mandatory and voluntary drug testing, to have drug-free wings and to prepare prisoners for release in a drug-free state.

I was concerned to see that there were only two staff provided by Druglink in support of that initiative in the prison. There needs also to be greater support for the

[Mr. John McDonnell]

probation service when prisoners come out of a prison drug free and return to the community, where they are again susceptible to drug dealers.

Mrs. Taylor: I do not know the prison to which my hon. Friend referred, but I am glad that he thinks that good work is being done there. Clearly, both mandatory and voluntary testing have a role to play. He mentioned Druglink staff and the probation service. A review is being conducted into how people can work together, and I assure him that when we were drafting the White Paper, the Prison Service staff, probation officers and link workers were all consulted, and they will be consulted on implementation in the future.

Mr. Julian Brazier (Canterbury): Will the right hon. Lady confirm that central to all that must be securing convictions against drug barons? I see the Home Secretary in his place. Will the right hon. Lady tell us whether the Government are studying the rules of evidence, in particular the use of intercept evidence in trials and the present abuse whereby defence lawyers can demand to know the names of informers, even when their clients have been caught in possession? Surely the civil liberties of the accused cannot be allowed to override the desperate need of the wider community to tackle this evil.

Mrs. Taylor: I think that we would all like to be more successful with the drugs barons, who are clearly the evil people driving the trade and encouraging and tempting young people into drug misuse. The hon. Gentleman mentioned the rules of evidence; some of his points about disclosure have been covered. Intercept evidence is a complicated area, although I know from my right hon. Friend the Home Secretary that it is being looked into, along with other matters.

Mrs. Anne Campbell (Cambridge): May I warmly welcome my right hon. Friend's statement, in particular the part that dealt with the introduction of drugs education into the primary curriculum? However, does she agree that by the time children reach secondary school age, they are often more knowledgeable about and familiar with drugs than their parents? Will she ensure that drugs education and awareness are made available not only to children and teachers, but to parents, grandparents and other people who come into contact with young children?

Mrs. Taylor: My hon. Friend is right to say that parents need extra information. Schools have a part to play in that, but so does everyone else. We propose to issue a new leaflet to parents, prepared by the Health Education Authority. That will go out later this year. Also, conferences are proposed in different parts of the country, aimed at involving parents. As parents, we all have significant responsibilities. It is important that we understand the situation and, perhaps, become aware of it as soon as our children enter school. Some parents may be learning with their children, but, far too often, children know more than their parents.

I welcome what my hon. Friend said about the primary curriculum and I hope that she will be pleased that the first port of call for the anti-drugs co-ordinator in the next phase of consultation about the White Paper will be Cambridge in the near future.

Mr. Douglas Hogg (Sleaford and North Hykeham): The right hon. Lady has commended to the House the value of an integrated approach to the drug problem, and I agree. What will happen after devolution, particularly in the context of Scotland? As this is a multi-agency strategy, I assume that responsibility for health and the police and education authorities in Scotland will be the exclusive responsibility of the Secretary of State and then a Scottish Minister of a Scottish Parliament. How will the Government maintain an integrated approach to fighting drugs if responsibility in Scotland is a matter for the Scottish Parliament and Scottish Ministers, and the same applies in Wales and perhaps in Northern Ireland?

Mrs. Taylor: I do not see that there will be any difference after devolution. At the moment, there is a separate but related Scottish strategy. My right hon. Friend the Secretary of State for Scotland has been working with the United Kingdom anti-drugs co-ordinator, and that co-operation will continue.

Mr. Ronnie Campbell (Blyth Valley): I congratulate my right hon. Friend on the statement, which is a step in the right direction. It would be remiss of us if we did not congratulate United Kingdom Customs officers on the way in which they have done their jobs and on the number of seizures that they have been getting. I remind my right hon. Friend that the number of Customs officers was halved by the previous Tory Government during the past few years. I heard what she said—she is reversing that trend. I hope that it is reversed and that Customs officers get back to full strength. If they do, we will see the number of drugs seizures double.

Mrs. Taylor: I thank my hon. Friend. Customs officers have an important role to play. The Financial Secretary to the Treasury, into whose remit they fall, is on the Government Front Bench and will pass on the congratulations of the whole House.

My hon. Friend will be aware of initiatives for disaffected youth in Blyth Valley, mainly focusing on drug abuse, that have been included in a single regeneration budget grant. I hope that that will help him to fight the problem in his constituency.

Dr. Brian Iddon (Bolton, South-East): I regret that there seems to be little evidence in Greater Manchester that the problem of misuse of drugs is stabilising. Indeed, there has been a frightening change of culture, as heroin prices have collapsed and young people have moved straight to heroin without experiencing soft drugs. That has happened in spite of many excellent projects and the work of the previous Government. I sincerely hope that the Government can get to grips with the problem. I know of their serious intent and welcome the statement. Misuse of drugs is the third largest industry in Britain. It makes £8 billion internationally, so spending £5 million is a drop in a large ocean.

Are the Government prepared to keep an open mind on misuse of drugs? The Police Foundation has held an excellent two-year inquiry and the House of Lords

Science and Technology Committee is taking evidence on cannabis. My right hon. Friend said that there would be an annual report on the subject, which I welcome, but the Government must listen to all opinions so that together we can overcome a major problem.

Mrs. Taylor: The Government are always willing to listen to all opinions. I hope that my hon. Friend will listen to the opinion of the World Health Organisation, as its most recent report stated that cannabis has an adverse effect on human cognitive, motor skill and reproductive functions, that smoke from cannabis contains up to 50 per cent. more carcinogens than tobacco smoke, that cannabis is a risk factor in schizophrenia, and that up to 50 per cent. of regular users develop dependence that they are unable to control. I hope that those who take a different line from that of the Government will bear all those factors in mind.

Several hon. Members *rose—*

Madam Speaker: Order. To be helpful to the House, I should like to call all Members who are standing. Will they help me by making questions and answers very brisk?

Mr. Nigel Evans (Ribble Valley): When I was chairman of the all-party drugs misuse group, I welcomed the appointment of the drugs tsar, and I welcome the right hon. Lady's strong, clear announcement today, which is one in the eye for the *Independent on Sunday* and its irresponsible campaign on the decriminalisation of cannabis.

Will the right hon. Lady send a congratulatory message to Kennington Road primary school in my constituency which announced at the weekend that it would involve itself in getting the message across to primary school children on the dangers of drug and solvent abuse? There is an important job for the primary schools to do. Will she ensure that there is proper support for teachers, particularly in rural schools, which are not insulated from the drug problem? Will she ensure that all parents—not just targeted or high-risk parents—get information about what is being taught to their children, so that they, too, can get involved?

The right hon. Lady mentioned £5 million. Will she consider using all the assets of drug dealers for her campaign, as that would send a very clear message? Finally, may we debate in the House of Commons the drugs report that is to be issued every year, so that we can all have our say on how the problem is being tackled?

Mrs. Taylor: I thank the hon. Gentleman for his remarks and am happy to send my congratulations to Kennington Road primary school. It is important that we provide information to help schools to present these problems to children, but that they should have the independence to judge what is most appropriate in each case. He is right that other problems should be considered, such as solvent abuse, which is a real problem in many areas.

The hon. Gentleman asked for support for teachers. I said that it will be provided. He made the valid point that rural areas, like urban areas, need advice, information and support. He is also right that all parents need information. No parent can complacently ignore the problem.

The seized asset figure that I gave was the figure for seizures. What might be available will depend on what can be seized. We are serious about trying to ensure that as much money as possible is recycled into treatment provision. As I resist so many calls for debates from other hon. Members, I must be wary of his request for a debate each year, but I shall bear it mind from time to time.

Mr. Bob Blizzard (Waveney): My right hon. Friend's statement will be welcome in my constituency, where the police and the community have to deal with more cases of heroin abuse than cannabis abuse. Does she accept the message given to me over many years by the pupils whom I taught in several high schools, that education about the dangers of drugs needs to start much earlier, before children come to high school? It must start in primary schools. Does she agree that all the education in the world will not be effective unless it is backed up by adequate enforcement, and that enforcement requires adequate resources, but that ultimately there will be a return on those resources through fewer burglaries and fewer neighbours from hell who terrorise neighbourhoods because of drugs?

Mrs. Taylor: My hon. Friend is right that all those aspects must go together. We need education, not only for secondary children but for primary school children. Of course, that must be done in the context of strict enforcement. He is also right that many people become victims when drugs take hold of an area. My right hon. Friend the Home Secretary has already made statements about anti-social behaviour, and we are very conscious that whole communities can suffer when young people in an area start taking drugs. That is why we have a responsibility not only to young people but to the community in which they live.

Mr. Donald Gorrie (Edinburgh, West): Will the Government consider extending their drugs programme to include the misuse of alcohol? Under-age and excessive drinking causes as great—if not greater—social problems, as do drugs in terms of domestic violence, violence in the street, social breakdown and so on. The misuse of alcohol would fit well with the educational and social aspects of the Government's programme.

Mrs. Taylor: My hon. Friend the Parliamentary Under-Secretary of State for the Home Department chairs a ministerial group on alcohol misuse. We are very conscious that there are many problems. Many of the youngsters who abuse alcohol are the same ones who abuse drugs and who are truanting or excluded from school. That is why we cannot look at these problems in isolation and why we are trying to ensure better co-ordination to tackle the problems together.

Mr. Syd Rapson (Portsmouth, North): Should not we all embrace this statement with great enthusiasm, as it will be embraced in my constituency, not least because my wife is chair of the crime prevention committee? I live on a council estate where the evidence of youth involvement in drug crimes becomes greater every day. We should welcome it unreservedly and not be churlish or seek to water it down.

Mrs. Taylor: I am grateful for my hon. Friend's support. From his personal experience, he understands the

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extent of the problem in Portsmouth, which is to receive nearly £3 million over seven years from the single regeneration budget. Part of that project is aimed at diverting disaffected young people from crime to education and employment. That reinforces the need not only to tell young people that they should not take drugs but to be able to offer them a positive alternative. We need to be firm in our message that young people should not take drugs, and firm in respect of what we have to offer young people by way of better opportunities.

Mr. Edward Leigh (Gainsborough): As a result of today's statement, what extra resources are being made available to the Prison Service to enable judges to impose more and longer deterrent sentences on drug pushers?

Mrs. Taylor: My right hon. Friend the Home Secretary has already increased resources for this year. The answer to drug problems does not only involve sending appropriate people to prison. Many other options are often more appropriate. We must ensure that we have sufficient flexibility. If we can divert people from prison and criminal behaviour by providing effective treatment, that is one of the options which should always be considered. There are no hard and fast rules about what works in any individual case. The hon. Gentleman is wrong if he thinks that there are simplistic answers to the problem.

Mr. David Hanson (Delyn): May I broadly welcome my right hon. Friend's proposals? Will she confirm that they cover solvent abuse, which involves the widespread abuse of products that are legally available and results in the deaths of more than 100 young people, mostly under the age of 16, every year?

Mrs. Taylor: I know that my hon. Friend has a long-term interest in the problem and has raised the issue on other occasions. He is right that we should not simplistically separate the different strands of this problem. As I said earlier, the young people who take drugs are often those who have taken alcohol or been involved in solvent abuse. In some places, drug action teams take a more comprehensive approach, but we have left it to those teams to decide the most productive approach and the best way to co-ordinate locally.

Mr. Colin Breed (South–East Cornwall): The right hon. Lady rightly emphasised the need for clear and consistent messages. Is she aware that governing bodies with a policy of excluding any pupil found with drugs on school premises find it difficult when local police then only give a caution? The penalty visited on the pupil by the governing body is often seen to be greater than that under the law of the land, and governors find it difficult when they confront the parents of the children involved. There a need for a clear and consistent approach both at governor and school level and at local police level.

Mrs. Taylor: I am sure that there is a need for clear and consistent approaches. The hon. Gentleman mentioned the responsibilities of governing bodies. At the end of the day, provision must be found for any child who is excluded temporarily or permanently. We must try to ensure that the various agencies work together so that fewer children are excluded, not least because excluded children are more likely to get deeper into drug taking and criminal activity. That is one of the prime reasons why we must have as much co-operation as possible.

Mr. Ivan Henderson (Harwich): Does my right hon. Friend agree that one of the most important strategies for stopping drug misuse is preventing people from bringing drugs into ports? Will she join me in congratulating the Customs at Harwich International port on its great results in detecting drugs and preventing them from entering the country? Will the strategy for education include the use of professionals such as Customs officers in schools close to ports to help educate young people, as happens in Harwich?

Mrs. Taylor: I am happy to join my hon. Friend in congratulating Customs officers in his area. They play a critical role in all this, and their work should be recognised, along with that of many other agencies, including the police, the Prison Service and probation offers. Many people are already involved in the fight against crime. Much co-operation is taking place, and we have to build on that.

My hon. Friend asked about education and whether it was possible for Customs officers to go into schools as part of the drugs education programme. In some areas, Customs officers do that; in others, police officers and others involved in the fight against drugs participate in that co-operative way. We should look at what works in any particular area and always be ready to build on that, learn from best practice and ensure that best practice is spread throughout the country.

Helen Jones (Warrington, North): I also warmly welcome my right hon. Friend's statement, especially the proposals to tackle drugs-related crime, which makes life hell for many decent people in parts of my constituency. Does she agree that an important part of tackling the problem is what goes on in our prisons? Does she welcome what is being done by officers and nurses in HM prison Risley in my constituency, who have put forward proposals to set up a drugs detoxification unit? Will she aim to ensure that the Prison Service gives priority to similar proposals throughout the service, given that someone who goes into prison addicted to drugs and comes out addicted is highly likely to commit further crimes?

Mrs. Taylor: I agree with my hon. Friend. Someone who goes into prison addicted to drugs and comes out addicted to drugs will almost inevitably get caught up in crime. I have not visited the unit at Risley, but I have seen the unit in Strangeways and heard of various prisons' success in ensuring that prisoners who are willing to take the first step to kick a drugs habit are given the support and help they need. I am sure that the Prison Service will generally welcome my hon. Friend's comment and be happy to try to move in the direction she recommends.

Fiona Mactaggart (Slough): I apologise to other hon. Members, whose questions I did not hear; I did hear the statement. May take this opportunity to thank the Government for the £2 million in support for the anti-drugs work of the single regeneration budget partnership in Slough? May I urge that, in tackling this

problem, we work carefully with parents of different communities and cultures? The Sikh community in Slough are extremely anxious about young people's involvement in drugs, but they feel that, in the past, many of the programmes have not been sensitive to their concerns. They would be grateful for the assurance that their needs will be clearly at the centre of the strategy.

Mrs. Taylor: I am grateful for my hon. Friend's comments. She is right to say that all parts of the community need help in this respect. She mentioned the SRB projects in Slough, which are unusual in including peer-led drugs education as well as outreach workers. It is important that we use all possible means to get the message across. She also mentioned minority communities and the Sikh community in Slough: we have to face the fact that no community is immune from the problem of drugs and that if we are to get the message across to different communities, we may have to use different ways and be sensitive to the reaction of the communities. The problem is so serious that all parts of the country and all communities must get the necessary information so that, together, everybody is as well equipped as possible to face the challenge and to equip our young people for a better future.

Point of Order

4.53 pm

Mr. Tam Dalyell (Linlithgow): On a point of order, Madam Speaker. As some of us know only too well, you are, quite rightly, very stringent about your selection of subjects for private notice questions. My point of order, on one level, might seem a bit impertinent and cheeky in relation to the Chair, but it is not meant that way.

Before accepting a subject for a private notice question, should there not be some assurance by the hon. Member asking the question, if he is not the constituency Member, that, if he is going to criticise people and an institution, he has had the courtesy at least to attempt to contact them?

It was a bit odd that this afternoon's question should come from the hon. Member for Truro and St. Austell (Mr. Taylor). I wondered whether he had consulted his right hon. Friend the Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan), because it became quite clear that he had not bothered to contact Dounreay. Do you, Madam Speaker, think that it is any part of the Speaker's duty to contact the institution involved before criticism is made, to determine whether an hon. Member has had the courtesy to hear the other side of the story before taking up the time of the House of Commons and causing great damage?

Madam Speaker: It is no duty of the Speaker to question the fact that an hon. Member, wherever he represents, has put a private notice question to me. My only concern is to ensure that it meets the criteria of urgency or emergency or, as in this case, whether I am able, by bringing a Minister to the Dispatch Box, to give what I thought the public needed in terms of reassurance. It was on that point that I determined to bring the Minister to the Dispatch Box. I have nothing further to say on that matter.

Mr. Simon Hughes (Southwark, North and Bermondsey): Further to that point of order, Madam Speaker.

Madam Speaker: There can be no further point of order. I have made it quite clear what the position of the Speaker is, and I have given a reason, which is unprecedented, but I thought that it was important that the people should be reassured about the situation. I believe that they have been reassured today, and that was my reason for bringing the Minister here.

Orders of the Day

Finance (No. 2) Bill

(Clauses 1, 7, 10, 11, 25, 27, 30, 75, 119 and 147)

Considered in Committee.

[MR. MICHAEL J. MARTIN *in the Chair*]

Ordered,

That the order in which proceedings in Committee of the whole House on the Finance (No. 2) Bill are to be taken shall be: Clause 30, Clause 75, Clause 147, Clause 1, Clause 7, Clause 10, Clause 11, Clause 119, Clause 25, Clause 27.—[*Mr. Geoffrey Robinson.*]

Clause 30

CORPORATION TAX: DUE AND PAYABLE DATE

4.56 pm

Mr. Peter Lilley (Hitchin and Harpenden): I beg to move amendment No. 2, in page 15, line 25, at end insert—

'Provided that a draft of the first set of regulations made under this section shall be laid before Parliament and the regulations shall not be made until the draft has been approved by resolution of the House of Commons.'.

This is a tax-raising Bill: it adds to the taxes raised by the previous Finance Bill introduced last July, and the bulk of those taxes fall on business and on the savings available to businesses to finance their investment. Before the election, the Chancellor repeatedly promised that, apart from the windfall tax, the Labour party's programme would not require any extra taxation at all. The Labour party went out of its way to claim that it would be friendly to business in particular, to try to allay the fear business rightly had of a Labour Government.

Labour gave us a test to judge its tax policies. Labour's manifesto stated:

"How and what governments tax sends clear signals about the economic activities they believe should be encouraged or discouraged, and the values they wish to entrench in society."

That is the test that we can use to establish, on the basis of their tax record so far, what activities the Labour Government wish to discourage and what values they wish to oppose in society. What is clear is that business has been singled out for extra taxation; almost all the extra taxation introduced so far falls either directly on companies or on savings that will finance business and investment. We want confirmation from the Government today that it is their intention deliberately to send clear signals that the economic activities they believe should be discouraged are the activities of business and of saving for the purpose of financing investment, because it is on those activities that they have loaded all their taxes.

Mr. Barry Gardiner (Brent, North): If the Government are seeking to punish businesses, why do we now have the lowest ever rate of corporation tax for small businesses?

Mr. Lilley: Because the Government have raised taxes massively with their right hand and given back a small amount with their left hand. Perhaps I should say it the other way round; it is, of course, the left hand that raises taxes, and a very small amount is being given back in the form of a lower corporation tax rate.

In total, nearly £20 billion is being raised from the business sector as a result of the extra taxes introduced in the Government's two Budgets—and that is after allowing for the reduction in corporation tax rates announced in both Budgets. That is why we say that there is an extra load on business. We should like the governing party to be more frank and honest about what it is doing. That £20 billion burden on business means that business has £20 billion less to invest, £20 billion less with which to generate jobs and £20 billion less with which to enhance the growth potential of the British economy.

5 pm

Clause 30 introduces a quarterly payment system for corporation tax. It is an unplanned baby, conceived by accident in July 1997. Its progenitors were thinking of other things when they brought it about. They had not thought what, nine months later, would flow from their actions. They thought that they were simply abolishing tax credits—an enjoyable activity for socialists, because it was a stealthy way in which to raise a huge amount of tax from savers and companies—but one thing leads to another.

Abolishing credits in July 1997 meant that foreign income dividends had to go in the Finance Act 1997. That meant that advance corporation tax ceased to be tenable, and, during the summer, the Government decided that that, too, had to go. Then they realised that they had to replace that with a quarterly payment system on corporation tax, which they announced in November 1997; and because they got that wrong, too, they had to revise it in March 1998.

We welcome the mitigation of the measures announced by the Government in November 1997, and the improvements for small companies that were introduced when they finally brought this child to birth in March. However, like the Confederation of British Industry, we condemn the overall impact of the Government's changes on the cash flow of the company sector, and of major companies in particular.

According to the Government's figures, clause 30 will raise £6.8 billion from companies this Parliament. The accompanying 1p rate cut in corporation tax will return to companies just £1.7 billion of that £6.8 billion. The net impact of the clause on corporate sector cash flow will be £5.1 billion. I should be grateful if the Paymaster General would confirm that figure now, or when he gets back to the Dispatch Box. He may not be listening, but can he confirm that the net effect of the clause is to lift £5 billion from the cash flow of the corporate sector and take it to the Treasury, as a result of bringing forward payments that companies would have to make, through the advance system of corporation tax payments, on all their profits?

Let us have no more from the Labour party about the supposed reductions in corporation tax because of changes in the corporation tax rate, such as those that the hon. Member for Brent, North (Mr. Gardiner) just mentioned. Let us have a clear statement today that, when the Prime Minister denied that there was any increase in corporate taxation, he was misinformed and was, therefore, misinforming the House. Let us have a clear admission that the Government are adding further to the burden of business, on top of the previously announced taxes, on top of the high interest rates that have been introduced in this Parliament and on top of the crippling exchange rate,

all of which are already precipitating manufacturing into recession. These burdens of taxation will make it spread all the more rapidly to the rest of the business sector.

Mr. Ross Cranston (Dudley, North): Is it not the case that the quarterly system of corporation tax payment operates in the United States, Germany, France, Australia, Canada, Japan and a host of other countries, and that we are simply coming into line?

Mr. Lilley: I was just about to say that we have no objection in principle to a quarterly payment system; it is the use of that system, by arranging the transition to bring forward into this Parliament payments that previously would have been made years ahead, that is so iniquitous and devious. If the hon. Gentleman had had the courage to admit that it was being done to raise extra taxation rather than to smooth spending over the year, I should have had more respect for him and the Labour party.

We have no objection to a system of quarterly payments—something like that became inevitable once credits, foreign income dividends and the advance corporation taxation system on dividends went—but we object to it being used as a back-door method of increasing taxes on the business sector by stealth.

Mr. Dale Campbell-Savours (Workington): In the right hon. Gentleman's view, could we have had reduced revenue coming into the Exchequer while we had the reduced interest rates that the right hon. Gentleman has been calling for? Could we have had both together?

Mr. Lilley: I believe that, if we had encouraged, not discouraged, saving, it would have made it easier for the Bank of England to achieve a given inflation target with less emphasis on high interest rates and high exchange rates. By not taking steps to encourage consumers to save, but allowing the burden of taxation to fall on business and savings, the Government have exacerbated the problems that they diagnosed when they came to power.

Our amendment No. 1, which has not been selected for debate, would have required the Government, in introducing a quarterly payment system, to ensure that it did not result in any net take-out of companies' cash flow. It would have ensured that the effects of the system were fiscally neutral, and that the Government adjusted the timings and the transition period to ensure that.

As amendment No. 1 has not been selected, we shall vote against clause 30, and I shall invite the Committee to join us. Apart from the fact that clause 30 raises taxes by stealth, the most objectionable feature of the Bill and the clause is that they rely on the wholesale use of regulation-making powers, so that the Government can introduce complex but important measures in a way that cannot be amended, and which, in many cases, will not even be debated.

Hardly any of the key parameters of the new system of corporation tax payments are spelt out in the Bill. The Institute of Directors rightly protests:

> "The dates on which tax is payable and any associated penalties are fundamental matters, which should be dealt with in primary legislation."

They are not. Why have not the Government spelt out in primary legislation the key parameters of the system that they are introducing, to allow hon. Members the opportunity—preferably on the Floor today, but if not, later, in Standing Committee—to examine and consider the proposals, and to reflect in that debate representations from outside the House about the detailed proposals?

Mr. Cranston: Will the right hon. Gentleman give way?

Mr. Lilley: I shall continue with this point, if I may.

It is essential that we find out the Government's intentions, or that we ascertain that, in this respect, too, they have not yet thought out their plans, just as, when they announced the abolition of tax credits, they had not thought that it would make necessary a new system. Is it further evidence of their botched, muddled failure to think through their taxes when they make their announcements?

I shall happily give way to the hon. Member for Dudley, North (Mr. Cranston). If he is true to his duty as a Back Bencher, he will want to debate such measures in detail rather than pass them on the nod in the contemptuous way in which the Government sideline Parliament whenever they have the opportunity.

Mr. Cranston: I thank the right hon. Gentleman for giving way again. Did he in his long experience, including at the Treasury, never propose legislation containing a regulation-making power?

Mr. Lilley: I cannot remember proposing a clause containing 11 separate regulation-making powers. Not a single detail of the Bill has been spelt out or published previously so that the Committee would know what regulations would be made under the clause. The amendment would ensure that Parliament saw drafts of the regulations and voted on a resolution before the regulation-making process was completed.

Labour Back Benchers are numerous and could use the time on their hands to good effect by considering legislation properly and in detail, which is what their constituents sent them to Parliament to do, rather than letting Ministers bypass them and Parliament by taking general regulation-making powers that suggest that they do not even know what they intend to do. We shall listen intently to the Paymaster General for evidence that he knows what he intends to do any more than he and his colleagues did when they started the process nine or 10 months ago.

Mr. Malcolm Bruce (Gordon): The right hon. Member for Hitchin and Harpenden (Mr. Lilley), who leads the Conservative Treasury team, has worked himself into a synthetic stour about the clause. The Government's basic proposals have been out for consultation for several months, and, although hon. Members are entitled to ask for clarification of the legitimate concerns to which the right hon. Gentleman referred, I do not get the impression that there is enormous fulminating opposition to a measure that most business people acknowledge as reasonable in principle.

The Government's claim to want to open up the Budget process to greater debate, consultation and transparency is a genuine issue, however. The Chancellor announced the abolition of advance corporation tax and the introduction of quarterly payments in his pre-Budget statement, but did not say that there would be a substantial cash flow benefit.

[Mr. Malcolm Bruce]

The Paymaster General will have to acknowledge that there will be a net flow of funds into the Treasury in the lifetime of this Parliament, and of the order of that to which the right hon. Member for Hitchin and Harpenden referred. In the interests of transparency and genuine debate, the Chancellor should have been more forthcoming about the cash flow benefit that the Government would achieve compared with the overall effect of the reduction in tax rates.

The measure will have a more severe impact on some businesses than on others. As regulations will be made, the Minister should say whether variations or adjustments will take account of the skewed revenue flows of some businesses, which could make quarterly payments a hardship. Most ordinary taxpayers who pay tax as they earn appreciate that paying tax substantially in arrears is beneficial because a company has use of the money on which it is liable to pay tax for a considerable period before paying it.

The Paymaster General should give hon. Members guidance, because it is difficult for some businesses to determine the outcome on which they would pay tax. Some businesses will pay additional tax over and above their liability, so it would be useful to know what negotiation and flexibility there may be in calculating quarterly rates to take account of variations.

5.15 pm

My plea to the Government is to follow through what I accept as a sincere intention to have a more genuine, open debate about taxation priorities. They have not got the balance right yet, and I had hoped for more consultation on other issues in the Bill. In their first Budget and in the pre-Budget statement, the Government introduced two substantial taxes on the corporate sector from which they have benefited substantially in revenue flows without being up-front in the Red Book or in overall projections, which would have enabled us to have had the sort of debate to which we are entitled. The Government would help hon. Members and business if they set out the real effects of the tax changes and how the balance between personal taxation and business taxation will settle.

The Paymaster General cannot be surprised that there is criticism of and cynicism about the fact that the Government thought that they could get away with substantial extra taxes on business while standing by their assurance that they would not increase the basic or higher rates of income tax. He and hon. Members will know that my party takes a different view and believes that both rates should have been increased by an agreed amount for specific purposes. *[Interruption.]* We have said specifically what we would do.

The Paymaster General may not have read our publication, though it must have been passed to him many times. I shall repeat what it says, at the risk of detaining the Committee—even the Prime Minister would benefit from reading the *Official Report* occasionally. We proposed a rate of 50 per cent. on personal incomes in excess of £100,000 and an additional 1p on the standard rate of tax to fund a reduction in tax for people on lower wages by raising thresholds and extra investment in education year on year throughout this Parliament. Labour Members would do themselves and their party good if they accepted my argument.

Mr. Campbell-Savours: Will the hon. Gentleman give way?

Mr. Bruce: Not until I have finished this point.

The Government are on record as saying that they want genuine public debate, but they are not happy when other people hold a different view from theirs and they do not always explain the full implications of their policy changes, let alone the forward projections.

The First Deputy Chairman of Ways and Means (Mr. Michael J. Martin): Order. The hon. Gentleman is going wide of the amendment. Government policies are not being debated; there is an amendment before us.

Mr. Bruce: I accept your ruling, Mr. Martin. The amendment asks for a statement of impact, and I am balancing the argument. The Government should state the net effects of the changes and their forward projections.

Mr. Campbell-Savours: The hon. Gentleman said that 1p should be put on the standard rate of tax and that the rate should be 50 per cent. on incomes of over £100,000 to fund a lower threshold and education spending.

The First Deputy Chairman: Order. We have the amendment before us, although it is perhaps different from the one being discussed by the hon. Gentlemen. The amendment that we are discussing mentions a draft of regulations being laid before Parliament. We should talk about that, not about what the Liberal Democrats wanted to do at the last election, which is nothing to do with the issue before us. The hon. Member for Workington (Mr. Campbell-Savours) should be seated.

Mr. Bruce: I take your strictures, Mr. Martin. I may have strayed somewhat, but I think that the Paymaster General has got the drift of my argument. The right hon. Member for Hitchin and Harpenden said that he wanted detailed regulations because he was concerned about the impact of the change and the Government's lack of transparency in introducing it. I do not think the amendment very practical; when the Conservatives were in government, we had debates on similar amendments, only they were tabled by the opposite quarter.

I hope that, from now on, the Government will recognise the need for people to know the precise impact of measures on their businesses, as well as the likely impact on the national finances. In the interests of open government and of wider debate, it would help us to have more information from the Paymaster General.

Mr. Nick Gibb (Bognor Regis and Littlehampton): The hon. Gentleman describes the need for a wider debate on Finance Bills. May I take it from that that he and his colleagues will attend each and every sitting of the Finance Bill Standing Committee? During last year's one,

they flitted in and out at whim, and I rarely saw the hon. Gentleman take part. Will he and his colleagues play the part of a proper Opposition this time round?

The First Deputy Chairman: Order. That has very little to do with the amendment.

Mr. Bruce: On a point of fact, I was not a member of the Finance Bill Committee last year, so I would have found it difficult to take part.

May we have some specific assurances from the Minister on how the regulations will affect the businesses that may encounter problems? Secondly, what will the overall impact of the regulations be?

Mr. Charles Wardle (Bexhill and Battle): Before the hon. Member for Gordon (Mr. Bruce) outlined the shape of a Liberal Democrat Budget, he seemed to chide the Minister gently for not disclosing the cash flow benefit to the Treasury of these changes. What my right hon. Friends and I object to are the cash flow disadvantages over the next few years to companies bigger than small and medium enterprises, or SMEs.

I hope that the Minister will help to clarify a certain definition. When looking at clause 30 it has been helpful to look also at the glossy version of the Red Book, "New Ambitions for Britain". Paragraph 4.19 says that the Budget will exempt SMEs from quarterly corporation tax payments to improve their cash flows, but paragraph 4.18 implies that that refers to companies with 50 employees or fewer. The paragraph states that the Treasury says that 99 per cent. of the UK's 3.7 million businesses have 50 or fewer employees, and that those businesses account for 46 per cent. of jobs and 42 per cent. of aggregate turnover. That immediately precedes the point about exemption, but I believe that I saw in a press release at the time of the Budget a suggestion that the definition of a small company was one with profits of up to £300,000 before tax, and that a medium-sized company was one with pre-tax profits of between £300,000 and £1.5 million. I see the Minister nodding, but it would be helpful to have that clarified. It would be boring to have to wait for regulations which we may or may not have the chance to debate before finding out precisely who will benefit from the exemption.

I should like to outline two types of management problem which might affect a large number of businesses in the transition period. I accept that quarterly corporation tax payments are made in many other countries. What concerns us today is the transition period, the hit on companies, and the hitherto hidden benefit which my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) has so admirably disclosed.

The Minister and other hon. Members with management experience will appreciate the examples that I am about to describe, but I hope that they will bear with me because it is important to illustrate what problems might arise in the next four years.

My first example refers to the rapidly expanding company. Let us assume that it has got off the ground with great success. It has shot past the upper limit definition of an SME and has continued to expand rapidly. There is not a business person who does not know that the risk of company failure and receivership is at its greatest when companies embark on ambitious programmes of expansion without sufficient capital backing. Business history is littered with examples of entrepreneurs who got off to a good start with a great marketing idea for a new product that attracted sudden and rapid demand.

That company buys in more raw materials and puts more into work in progress and finished stock. As it expands, it finds that it has more money tied up in accounts receivable—in debtors—and that its suppliers are still insisting on tough terms. The company does not have a history long enough for a good credit standing, so the terms of payment for raw materials are still tough. Moreover, the bank insists on a tough overdraft limit; doubtless, the company does not have a freehold property, so there is little on which to secure an overdraft.

It is a familiar story. If companies in a period of rapid expansion are to risk becoming over-extended, cash flow is critical. Some of those companies will find that their overdraft limits are broken and that the banks are not tolerant, because they see little in the way of underlying assets. The companies will therefore be faced with receivership. Such circumstances are not uncommon.

That type of company will now be spending more management time on dealing with quarterly assessments of corporation tax payments in months seven, 10, 13 and 16—more time dealing with inquiries just when they should be fighting to consolidate themselves on a new plateau of stability following their rapid success.

Mr. Geraint Davies (Croydon, Central): Is the hon. Gentleman suggesting that the taxpayer should bail out high-risk, fast-growth companies in circumstances when no high street bank would dream of doing so?

Mr. Wardle: I am suggesting nothing of the sort. Indeed, I am saying that the banks take their fair share of risk. I also say that this is not the time for a Government who insist that they are business-friendly to impose further pressures on rapidly expanding companies.

My second example concerns the established company with a remarkable success in export markets—there are many of them about. Because of the persistently strong pound, they find those markets eroded; whereupon, they do all the right things: trim their sales prices, suffer lower margins, trim their overheads, and possibly even let some staff go rather than tie up cash flow in stock and finished goods.

Such companies, facing those pressures in an increasingly competitive export market, will find the requirement for quarterly payments of corporation tax, introduced so rapidly, an additional burden.

Mr. Cranston *rose—*

Mr. Wardle: I shall give way to the hon. Gentleman, provided that he will tell us about his business experience. I understand that he is a solicitor.

Mr. Cranston: I am not a solicitor: I am a member of the Bar. Only 2.8 per cent. of companies, 20,000 of them, will have to make the quarterly payments. It seems to me that the hon. Gentleman is making a good argument for a regulation-making power, not a piece of bland legislation, to cover all these different types of company.

[Mr. Cranston]

5.30 pm

Mr. Wardle: No. With the typical skill of a barrister, the hon. Gentleman does not illustrate to the Committee the sort of companies involved. Those 20,000 companies represent the engine room of Britain. It is vital that companies that have been successful in export markets and are now feeling the pinch, or companies that have been expanding rapidly on the back of a good idea and have gone beyond the protection that the Minister rightly intends to provide for SMEs, should be examined by the House of Commons to see the proposals' effect on them in the crucial next three or four years.

How can the Minister justify quarterly payments that add to paperwork and intrude on management time that should be devoted to market success? How can he justify the hit of £1.6 billion in the first year and £2 billion on company cash flow in the next two years, if the Government are supposedly business-friendly?

Finally, I draw the Minister's attention to a point that was raised time and again on Second Reading, as well as in the financial press. Long though the Bill is, it is full of references to regulations that are to be made subsequently. Clause 30 is a classic example of that. Ministers and the Inland Revenue will have a free hand to be as creative or as repressive as they choose in making regulations. By not writing into the Bill the substance of those changes, the Government make a mockery of their accountability to the House.

Mr. Quentin Davies (Grantham and Stamford): Before I deal with the substance and the merits, or otherwise, of the amendment and the clause, I draw to the attention of the Committee and, I hope, of an increasing number of people outside who have not yet focused on what is going on, the extraordinary degree to which the drafting of the Bill represents an invitation to Parliament to abdicate its responsibility for deciding on the taxes to be levied on the British people.

As you know, Mr. Butterfill, I have served on Finance Bill Committees for several years. On many of those Committees, I had the pleasure of serving with you. I have never read clauses that were so open-ended in providing for the Revenue to make up our tax laws as it goes on.

Clause 30 states:

"The Treasury may by regulations make provision, in relation to companies of such descriptions as may be prescribed, for or in connection with treating amounts of corporation tax for an accounting period as becoming due and payable on dates which fall on or before the date on which corporation tax for that period would become due and payable".

What does that mean? It simply means that the Treasury can write its own tax laws after Parliament has finished with the Bill.

Subsection (2) states:

"The Treasury may by regulations make provision for or in connection with the payment to the Board of an amount or amounts determined by or under the regulations".

What can be clearer than that? The Treasury may by regulations make provision for amounts to be paid to be determined under the regulations. In other words, we give a blank cheque to the Revenue.

Similarly, schedule 4, which refers to new section 59E, states:

"The Treasury may by regulations make provision modifying section 826(2) in relation to companies of such description as may be prescribed."

In other words, the Treasury will have the right to change existing tax law—in this case section 826(2)—and substitute more or less whatever it wants.

That is not hyperbole. It is what the Bill would allow. Such arbitrary taxation is associated with the Turkish empire, perhaps, but not with a free society and a regime in which the representatives of the governed discuss in detail, debate and determine the basis on which the public should be taxed. Parliament cannot pass the clause this evening and look itself in the face tomorrow morning.

When I read these clauses, I thought that it might be much easier if the new Labour Government, with a majority of 179 over all other parties, decided that they could do what they pleased with the House, and introduced a one-line Bill allowing the Treasury to impose such taxes as it wishes. *[Interruption.]* That is what is happening under the clause, which states that the Treasury shall impose such corporation taxes as it wishes.

I see some of the Labour Members who make up that absolute majority of 179 over all other parties sitting in the Committee this afternoon, not trying to take part in the debate—we have heard three contributions from the Opposition, without any interruption—but laughing. Perhaps they think that they were sent to this place to do whatever Walworth road or the Whips or No. 10 tell them, and not even to look at the implications.

The clause represents a sad and dangerous precedent. In a sense, it does not much matter what taxes we have, whether they are too high or too low, whether they are good or bad, if Parliament has considered them in detail and Parliament can subsequently amend them. However, we are invited this afternoon to hand over our own judgment to unelected officials in the Treasury and the Revenue.

We must read the Bill in conjunction with press releases from the Revenue, telling us what it might be minded to do if it were given the powers which, with the Government's majority, we know that it will be given. If one examines the Government's intentions under the clause, serious pragmatic issues for British business arise.

I reinforce the comments of my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) about the way in which the corporation tax provisions in the Bill are used to impose a surreptitious and covert increase in the burden of corporate taxation. The figures are in the Red Book produced by the Government.

The Paymaster General (Mr. Geoffrey Robinson) *indicated assent.*

Mr. Davies: I see the Paymaster General nodding. I wonder whether he will have the courage to quote the figures. In all the discussions that we have had on the Bill since the Chancellor's Budget speech, the Government have never done so. They have never drawn attention to the actual increase in the burden of corporation tax. They have disingenuously implied that the Budget relieves the burden of corporation tax. It does not. Although there is an apparent reduction in the rate of corporation tax, that

relief, as my right hon. Friend pointed out, is more than compensated for by the cash flow effect of introducing quarterly payments of corporation tax.

The Paymaster General is leafing through his papers. I can tell him what the figures are. In the first financial year in which the provisions will apply, 1999-2000, the net burden on industry will be £1.6 billion; businesses will pay more in corporation tax, taking into account the apparent relief through reduction of the rates but the increase in the burden because of the acceleration of payments through quarterly payment. In the following financial year—I shall give way to the Paymaster General if I am wrong in quoting from the Red Book, but he knows that I am not—the net incremental burden on business will be £2 billion. If the Labour party has the slightest respect for the facts and the slightest inclination to be straight with the British people, it should not claim that the Budget reduces the corporate tax burden. This Budget increases that burden by a significant amount of money.

Let us turn to the merits in principle, irrespective of what is raised as a result of levying corporation tax on this new basis. I agree with my right hon. Friend the Member for Hitchin and Harpenden: I do not object to quarterly payments in themselves, but quarterly payments of what? The Government are introducing for the first time in tax law quarterly payments of tax for which a company is liable in the current year. In other words, companies will have to predict their profits for the current year and pay—not just make notional provisions in their accounts—those sums of money during the year in which those profits are earned.

That is an extraordinary state of affairs. At present, income tax payers who come under schedule D make payments twice rather than four times a year, on the basis of the profits on their earnings for the previous year. They know what the position is: they have closed their books for the year in respect of which they are making payments. They know the profits or the earnings on which they will make payments and they have received those profits or earnings. That is not the position here: this is a dramatic step and a dramatic change in British tax law.

The Temporary Chairman (Mr. John Butterfill): Order. I hope that the hon. Gentleman will start to address the substance of the amendment, as he is ranging rather wide of it at the moment.

Mr. Davies: When we are debating amendments to the Finance Bill, there is always slight confusion as to whether the Chairman will permit a subsequent clause stand part debate. If he decides not to do that because the discussion of previous amendments has ranged fairly widely and one has points that relate to the principles of clauses, one may find that one has lost the opportunity to put those points. I am in a difficult position as I know that Chairmen are sometimes reluctant to give guidance in advance as to whether they will allow a clause stand part debate. Perhaps you can help me, Mr. Butterfill.

The Temporary Chairman: I shall make that decision when I have heard what has happened during the debate. It is normally my practice to give guidance earlier if hon. Members have demonstrated that they wish to speak fairly widely on the amendments. At present, I propose that we have a clause stand part debate. Perhaps the hon. Gentleman could confine his remarks a little more closely to the clause under discussion—although I shall show a certain amount of tolerance.

Mr. Davies: I am grateful to you, Mr. Butterfill. I was trying to be guided in the extent to which I went wide of the amendment by the precedents that have been set in the discussion. I thought that I was not exceeding the margins that were established by earlier contributors, but perhaps I am in error. Nevertheless, I am sure that you would agree, Mr. Butterfill, that the essence of the clause and every amendment to it is that we are facing a dramatic—and, I believe, an extremely damaging—change to the way in which companies are taxed.

There are certain specific and pragmatic reasons why the concept cannot work in practice. That point has been made already, so I shall add to it. It will do even greater damage to the interests of British industry because it is not possible to predict what one's profits will be in the current year. Even in a relatively non-volatile market, such as retailing, one does not know whether one will have successful January or July sales. One does not know whether the car market will turn up or down: it can be affected by unpredictable changes in interest rates or in Government policy.

In other areas of business that are inherently much more volatile, profits are even more difficult to predict. For example, how could a company that has been exporting to Asia in the past year have predicted the collapse in the Asian markets? That will have had a dramatic effect on its profits. How will an insurance company know whether extraordinary claims will be made on it? It is like predicting the weather—and if a company is in the property insurance business, the weather will determine the claims on it to some extent.

There is something particularly curious about the concept of quarterly payments of corporation tax that is assessed on current year profits. It is an established fact that companies are very cautious about making profit projections for the current year. If they must pay tax to the Revenue on their profits in the current year, they cannot disguise their position from the market or from their shareholders. It is an established principle in financial markets that it is extremely dangerous to make those kinds of profit announcements, yet it follows that all British companies will have to make yearly statements on the stock exchange about their anticipated profits for the current year. As it is in the nature of things that companies will not achieve those profits—their actual profits may represent a substantial increase or shortfall on the figure predicted—the stability of financial markets will be undermined. False markets will occur and people will drive company share prices up or down for no reason. I shall give way to the hon. Member for Croydon, Central (Mr. Davies) who shares my name.

5.45 pm

Mr. Geraint Davies: I am honoured. I thank the hon. Gentleman for giving way. Is he aware that the 20,000 companies—or 2.8 per cent. of companies overall—that will be affected are large, sophisticated companies? Is the hon. Gentleman aware that the system allows a certain amount of flexibility—profit projections and re-evaluations will be conducted each quarter on a rolling basis? Companies of that magnitude of sophistication and

[Mr. Geraint Davies]

success will obviously have their own accountants and will be able to accommodate quite easily the sorts of changes that the Government are introducing. Therefore, the single point that the hon. Gentleman has made for the past five minutes is wrong.

Mr. Quentin Davies: I think that the hon. Gentleman's comments would cause surprise—and possibly even derision—in most boardrooms in this country with which I am familiar. One is able to predict one's profits not because one has sophisticated company management but because one is able to predict the factors that will determine those profits. I have given several illustrations of that point already—I can give more, but I might go slightly beyond the margins that you have laid down, Mr. Butterfill.

The Temporary Chairman: Order. The hon. Gentleman has already gone so far outside those margins that the chances of a clause stand part debate are diminishing by the minute.

Mr. Davies: I see that I shall be blamed for anything that goes wrong in the debate. However, I am at least released from some of the constraints that were imposed on me a few moments ago.

The fact is that no company can predict what will happen in its markets. Every company deals with uncertainty. Companies may have complete control of everything that it is in their power to control, but they cannot control the behaviour of their customers, what happens to interest rates or the general economic and physical climates. Few companies feel able to make profit projections for their shareholders—or for any other purpose—or public statements of what their profits are likely to be 12 months ahead. The reference to the 20,000 companies that will be affected has cropped up several times in the discussion: several Labour Members have intervened to cite that figure. I suppose that it must be in the Walworth road handout about this clause. It represents a certain naivety.

If the clause were designed simply to impose a new corporate tax regime on the *Financial Times* 100 companies—the top 100 companies—it would have a considerable economic impact. Those companies already deliver a substantial proportion of the United Kingdom's gross domestic product. However, the provision is not confined to the FT 100, 500 or 1,000; it applies to the top 20,000 companies. If a Government want a particular tax regime to have a major economic effect, they will want to levy it on the top 20,000.

It is extraordinary that the hon. Member for Croydon, Central should have been deceived by the Walworth road handout into asking such a question. The hon. Gentleman knows well that the majority of companies are one-man or one-woman businesses, and that the output of such companies may be very small.

The clause is drafted so as to undermine the responsibility of Parliament for the aspect of taxation to which it relates. It is—

Mr. Cranston: Will the hon. Gentleman give way?

Mr. Davies: I shall not give way. I want to encourage the hon. Gentleman, if he really has something to say in this debate, to say it in his own speech. Labour Members have come to the Chamber with a Walworth road handout and have made, in many instances, ill-thought-through comments. They have not yet made a substantive contribution to the debate. Indeed, they have not shown the slightest inclination to want to do so.

We are faced with extremely bad tax law. If Parliament accepts the precedent that has been put before it, Parliament should be ashamed. The clause will lead to an additional general burden of corporate taxation, which is the last thing that the country needs. It will also impose on companies the complete absurdity and artificiality of having to predict their profits, when, by definition, profits cannot be predicted because they are subject to uncertainties outside the control of companies. That is, by definition, unreasonable and unfair. I look forward to hearing whether there is a rationale for any of the extraordinary proposals that are set out in the clause. Will Labour Members tell us what that rationale is?

Mr. Gibb: Clause 30 is the latest stage of incompetence in a saga that stems from the July Budget, when the Chancellor of the Exchequer decided to abolish the repayment of dividend tax credits to taxpayers generally and to pension funds in particular.

That decision was designed to raise about £5 billion a year by the back door, and in a way that the Government hoped would not be noticed by the public. However, it has been noticed by the public, because it is the public who have to pay. They will have to pay, on average, an extra £200 a year in higher pension contributions. Gavyn Davies, in his evidence to the Treasury Select Committee in March, said that the abolition of dividend tax credits has been paid for by the household sector. He said:

"The ACT change has fallen, eventually I believe, on the household sector. We have scored that as a household tax increase in our rankings."

Clause 30 has been introduced to clear up the problems that have been created by that decision.

When the Government announced the end of the repayment of dividend tax credits they realised that it would lead to a spate of payments of foreign income dividends. That was because if pension funds were no longer to receive the tax credit, they might as well receive FIDs. As a result, FIDs were introduced to enable companies to pay dividends to their shareholders out of foreign earned profits without having to account for ACT. This ACT could not generally be offset against a company's mainstream corporation tax liability because there is generally no UK tax that is payable on such profits as a consequence of double tax relief.

As no ACT is paid on FIDs there is no tax credit available to the recipient of a FID. Until last July, therefore, pension funds were not very keen on receiving FIDs. They needed to be able to claim the tax credit. However, after July, FIDs became attractive since the repayment of dividend tax credits has been abolished in any event.

The Government recognised that there was a potential long-term problem. That being so, they announced that FIDs would be abolished. There was an outcry from Britain's multinational companies. Already there are £7 billion of unreclaimed ACT at cost to British industry. The Government are effectively saying now that those moneys can never be reclaimed.

After various non-starter proposals made by the Paymaster General in the debates that followed the Government's decision, the only solution that the Government could come up with was to abolish the entire ACT system—the entire imputation system that had been in place since 1972. That, of course, would lead to a huge cash-flow cost if companies' advance payments of corporation tax were abolished. That is why we had the consultation document in November on the proposals that we now see in clause 30 for quarterly payments of corporation tax.

Unfortunately, that is not the end of the tale of incompetence and of ill-thought-through proposals. I believe that there is a serious shortage of competent Ministers in this Government. Those who are competent find themselves doing more and more work so as to carry their less able colleagues. Thus mistakes, or errors, proliferate even among the few competent Ministers that the Government have. I see the Paymaster General nodding. I wonder which category he sees himself falling into.

The supplementary memorandum from the Treasury is to be found at page 82 of the fourth report of the Select Committee on the Treasury. It points out that the Treasury had underestimated the number of FIDs that would be paid instead of normal dividends as a result of the July changes in ACT. The memorandum reads:

"Although the July 1997 forecast allowed for a rise in the use of FIDs by companies with surplus ACT, following the abolition of tax credits to pension providers the subsequent use of FIDs was greater than expected."

It was clear to everyone—

Mr. Quentin Davies: I listened to my hon. Friend's quotation with some interest. It is obvious that the Revenue is not particularly good at forecasting the revenue that it will receive at the end of any given current year. That being so, why does my hon. Friend suppose that the Revenue should expect companies to be better at forecasting their revenues?

Mr. Gibb: My hon. Friend makes a telling point. It is incredible that the Revenue failed to predict that there would be more FIDs paid as a result of the decision that was made last July. Everyone knew that there would be more and more FIDs and that there would be a rush to use FIDs as it was no longer possible to reclaim tax credits on ordinary dividends. Why did the Government underestimate the effect of their decision?

Mr. Cranston: Will the hon. Gentleman comment on a quotation from an accountant, John Whiting, tax partner at Price Waterhouse, who commented on the point raised by the hon. Member for Grantham and Stamford (Mr. Davies) when he would not let me intervene. Mr. Whiting said:

"This is a pain—but the whole scheme is much fairer. It does show that they"—

the Government—

"have listened to some of the arguments put during consultation."

What is the comment of the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) on that?

Mr. Gibb: The hon. Gentleman will be aware of other leading tax accountants, who say that we are getting perilously close to some constitutional issues by the fact that the Government are legislating a major reform to the corporation tax system through regulation. Such a reform is unprecedented, and the accountancy profession is dismayed at what is happening.

The underestimate of the amount of FIDs paid is not tiny or minor. Indeed, it amounts to about £2 billion. Errors or mistakes seem to proliferate in clause 30 and in the consultation document that heralded it. Paragraph 4.28 of that document refers to charging interest to taxpayers from the date that the Inland Revenue receives funds from taxpayers. Should not that be interest charged until the Inland Revenue receives the funds? That is a minor error, but one which is indicative of the competence level and lack of attention to detail that reflect on the Government and on the consequences of what they are proposing. Perhaps that is why clause 30 contains no details of the workings of the new corporation tax system but only paves the way for future Treasury regulations. The Chancellor hyped the reform to the corporate system as a once-in-a-lifetime, fundamental reform, so it is astonishing that it is not included in the Finance Bill.

6 pm

The Government's intention to legislate for a new corporation tax system through secondary legislation, subject only to the negative resolution, is a disgrace. It is unprecedented for changes in tax legislation, other than details of administration, to be enacted other than directly through an Act of Parliament. The introduction of a new corporation tax system does not constitute merely an administrative matter but goes to the very heart of how much a company will pay and when.

Legislating through statutory instruments on this matter is widely condemned by leading figures in the accountancy profession, the tax faculty of the Institute of Chartered Accountants in England and Wales, by the Institute of Directors and others. My former boss, Mr. Ian Barlow, head of tax at KPMG, said that regulations were normally used for detail and:

"This sort of material should be in primary legislation."

Richard Collier-Keywood, a partner at Coopers and Lybrand, said:

"I think we are getting perilously close to some constitutional issues."

The Institute of Directors said:

"The dates on which tax is payable and any associated penalties are fundamental matters which should be dealt with in primary legislation. Only if they are in primary legislation can Parliament debate them properly and make amendments as appropriate."

According to the *Financial Times*, the reason for wanting to use regulations is that Ministers do not want to be seen to be making U-turns, but it is a bit late for that. However, what does that say about the competence of Treasury Ministers? Proposals, flawed as they are, were announced in a consultation document in November, some six months ago. Is not that an admission that the Government have yet again produced tax proposals which are not acceptable to those whom they affect, just as they are not acceptable to those who administer and understand the tax system or to the wider public?

If the Government believe that the corporation tax proposals in the consultation document, as amended, are flawed, and if they wish to change them, they should do

[Mr. Gibb]

so. A change on the lines urged by Conservative Members and by industry would be widely favoured. Sneaking changes through by statutory instrument will not reduce criticism that the Government have yet again produced an ill-thought-out proposal which they were forced to change. If, on the other hand, the Government do not intend to change their proposals, legislating through regulation will not enable them to get away with introducing bad law without public criticism from the Opposition and from industry. They will achieve nothing from these antics, so I urge them to stop undermining the House, stop listening to their spin doctors, to put democratic procedure before presentation and sheen, and to accept the amendment.

Mr. Cranston: The hon. Gentleman is generous in giving way a second time. Has he consulted the draft regulations, which are available, and will he be commenting on them?

Mr. Gibb: I have not yet consulted the draft regulations, but, like industry, I look forward to examining them in great detail.

The errors that I have catalogued have led eventually to the quarterly corporation tax system and the abolition of ACT. When the repayment of dividend tax credits was abolished, FIDs had to be abolished. Their abolition has been causing huge problems with unrelieved ACT, and the only answer that the Government could come up with was the abolition of ACT. How were the Government to solve the problem that that created—the cash-flow cost to the Treasury arising from no more advance payments of corporation tax?

The answer, for the Government, is the quarterly corporation tax payment system set out in the consultative document, "A Modern System for Corporation Tax Payment". Of course, it is not modern at all; it has been a long-established practice in several countries. The proposals have been widely condemned, as one might by now have been expected, judging from the Government's track record on their tax proposals.

The Institute of Chartered Accountants said of the abolition of ACT:

> "We accept that in order to maintain Government revenues there will have to be a compensating acceleration of the payments of companies' normal corporation tax liabilities. We are, however, concerned that the detailed procedure for payment of corporation tax by instalments, as proposed in the consultative document, would be neither fair nor practical."

They are the words of the body that represents chartered accountants in this country.

The Government have already performed one U-turn on this issue by exempting small and medium companies from the burdensome proposals, but large companies remain subject to them. As my hon. Friend the Member for Grantham and Stamford (Mr. Davies) said, the consultative document and the notes on clauses state that the term "large" includes those companies whose profits are £1.5 million a year or more. That means 20,000 companies, some of which most people would not regard as being especially large.

Those companies will have to pay their corporation tax bills in four quarterly payments, beginning halfway through months seven, 10, 13 and 16. Therefore, for a December year end company, which is the most popular accounting period, the first instalment will be on 14 July and the second on 14 October, both payments being before the year end. The third and fourth payments will be in January and April after the year end. There are transitional rules in place which limit the amount of corporation tax payable, but the changes will have serious cash flow effects on companies, notwithstanding the fact that they are being phased in over three years.

The new rules will affect accounting periods ending on or after 1 July 1999. For example, a December year end company will have to make the first quarterly payment, representing 60 per cent. of its annual tax bill, on 14 July 1999. On 1 October 1999, it will have to pay the whole of its corporation tax bill for 1998, and on 14 October—14 days later—it will have to pay the second quarterly instalment of its 1999 tax bill. That represents 130 per cent. of the company's annual tax bill being paid within just one year. That is why the Government are not only making up their cash flow shortfall as a result of the abolition of ACT, but accelerating its cash flow for the next four years as my hon. Friend the Member for Grantham and Stamford said—by £1.6 billion in 1999-2000, by £2 billion the following year, and by £3.1 billion the year after. It is cash that British industry will have to find and, in most instances, will have to borrow. As the Institute of Chartered Accountants said in response to the consultative document, this proposal

> "would require the company to pay tax on profits which it has not yet earned in cases where profits increase sharply towards the end of the accounting period. This would be a particular problem if there is a large capital gain close to the year-end, for example on disposal of a major subsidiary. Even if such an event could be predicted in month 7 (which is unlikely), we regard it as unreasonable to expect the company to pay tax on the gain, or to charge interest if it does not, before the proceeds have even been received."

The Red Book figures, which reveal £6.8 billion extra revenue for the Government over the lifetime of this Parliament, show just how the Government are using the change surreptitiously to raise further taxes, and significant further taxes. It is one of Labour's stealth taxes, and it will do nothing to help investment, nothing to encourage enterprises and nothing to encourage the creation of new jobs but everything to reduce investment and destroy jobs. Before the regulations are passed by an overwhelming majority, I hope that these criticisms will be taken into account.

Mr. Gardiner: Will the hon. Gentleman confirm that for small and medium companies that have been paying dividends—companies that he has been careful not to mention—the abolition will mean a net cash flow benefit of £1 billion?

Mr. Gibb: I did not refer to that point because we are debating large companies which constitute a substantial proportion of British industry. If one were to examine the aggregate turnover of those companies, I suspect that one would find that it represented more than half the turnover of all companies in this country.

One of the worst aspects of the proposed system is that it is based on a company's current year profits. Companies will have to calculate their first two instalments on the basis of their annual profits when the year has not been completed.

As the Institute of Chartered Accountants said,

"The difficulty with this arrangement is that it is, of course, impossible to predict the tax liability for the current accounting period with any accuracy, at least until the period has ended. The problem is particularly acute for businesses such as property investment companies, whose profit is liable to rise to a significant extent from a small number of large transactions, whose timing relative to the next year-end may be unpredictable."

Of course, such unpredictable events can affect any company. It would make far more sense to base the quarterly payments on the company's prior year results and the statutory instrument should specify that, as does the income tax system for the self-employed and for sole traders.

The consultation document and the notes on clauses cite a number of overseas jurisdictions as examples of quarterly payment systems—Australia, Canada, France, Germany, Japan and the United States. However, the systems used in all those countries except Australia and the United States base instalments wholly or mainly on the previous year's tax liability.

Even in Australia and the United States, the system is not as uncompromising as that proposed in the Bill. For example, in the United States there are options to base instalments on the prior year's results with a top-up when the company files its tax return. There are also other methods for determining quarterly payments when companies have uneven revenues and expenses throughout the year. For example, there is what is known as the annualised method and the seasonal adjustment method for companies that generally earn at least 70 per cent. of their income in the second half of the year.

Mr. Quentin Davies: My hon. Friend will correct me if I am wrong, but is it not the case that in the United States there is no suggestion under any regime that chargeable gains would be included in the estimate on which quarterly tax payments had to be made? However, the new Labour Government appear to have included that in their proposals.

Mr. Gibb: I defer to my hon. Friend's expertise on that issue and I hope that the Paymaster General will note his comments, albeit that the regulations appear already to have been published.

It may be asked what difference will it make if a company underpays or overpays based on an inaccurate estimate as it can always increase or decrease subsequent payments accordingly. However, there is a penalty in that interest will be charged on any underpaid tax. Of course, it will also be paid on any overpayment, but there is a difference between the rates.

The consultation document originally referred to a gap of 3.5 percentage points. That gave rise to widespread criticism and the notes on clauses now say that

"the interest on overpaid and underpaid corporation tax will be brought more closely into line with commercial rates of interest".

However, I understand that the interest charged on underpaid tax will still be 2 per cent. above base rate, which is very high, particularly for large companies that can usually borrow much more cheaply. Of course, the proposals apply to large companies. I hope that the Government will reconsider the issue and announce a more realistic commercial rate of interest, although the regulations have been published.

Mr. Geraint Davies: I have two quick questions for the hon. Gentleman. First, is he suggesting that it would be better to base the taxation of a company on the figures for the previous year than on the forecast figures? If so, under the hon. Gentleman's proposals, a company facing declining profitability due to exchange rates, for example, would face penal taxation. Secondly, does he agree that an interest rate differential is a good idea as it encourages large companies to make accurate returns instead of giving them an incentive to underestimate their profits and, therefore, gain cash flow benefits from the taxpayer?

Mr. Gibb: I am grateful to the hon. Gentleman for that intervention. If a company's profits were less than those of the previous year, it could opt for the current year basis. The Government's proposals are uncompromising as they are based on current year profits and that is the end of the story. As for the percentage gap between the two interest rates, there will be a tendency for companies to overpay their corporation tax as a cushion against penal rates of interest. That will provide more revenue to the Government and put more of a cash flow burden on industry.

Basing quarterly payments on current year profits will clearly be unworkable and cumbersome for many companies. It will involve considerable uncertainty. The experience of jurisdictions that have a quarterly payment tax system is that companies tend to cushion the payments by paying more than they would otherwise to avoid penal rates of interest. The Government should avoid that.

Why are the Government so determined to go ahead with a system based on current year profits? Is it because they want to raise more revenue from the cushion, or is it because Treasury Ministers simply will not stand up to the Inland Revenue?

6.15 pm

The *Financial Times* says that tax experts believe that the Inland Revenue's large company anti-avoidance division has been instrumental in resisting pleas from companies not to shift to the current year basis. It goes on to explain:

"Tax inspectors are likely to monitor the payments, and sudden drops in tax liability will trigger investigations. This will act as an early warning system to spot anti-avoidance schemes."

In other words, the determination by the Government and the Inland Revenue to base payments on current year profits rather than the previous year's figures is driven by convenience. All the burdens and cash flow problems it will impose on British industry are simply to make the job of the Inland Revenue that much easier.

Mr. Gardiner: Will the hon. Gentleman give way?

Mr. Gibb: No. I have given way a number of times and I want to finish my speech.

We all want tax avoidance clamped down and companies to pay their tax according to the legislation, but there must be a balance between facilitating Inland Revenue inquiries and placing burdens on business. Requiring a quarterly payment to be calculated on the basis of current year profit is too great a burden.

One of industry's main concerns about the use of current year profits is that of market sensitivity, and calculating quarterly payments on the basis of estimated and unpublished future annual profit figures may well

[Mr. Gibb]

result in information leaking into the public domain and increase the scope for insider dealing. Companies may not prepare taxable profits estimates except to calculate their quarterly payments. Giving such figures to outside bodies such as the Inland Revenue may well have that result. That is not my concern but that of British industry, including the British Retail Consortium.

There is enormous concern right across industry about the proposal to use current year profits and I hope that the statutory instruments will take that into account. I hope that the Government will listen to the Institute of Directors, which points out that a small underestimate of profit can lead to a failure to pay instalments because a company did not regard itself as large. When it eventually reaches the year end, it suddenly finds that it has made more than £1.5 million in profit. If it is a large company and does not make the quarterly payments, it is liable to pay a very large amount of interest. That view is echoed by the Institute of Chartered Accountants which states:

"the definition of 'large' could itself be related to the size of the current-year tax liability and hence a relatively modest but unforeseen increase in profit close to the year end could result in a company being treated retrospectively as having been liable for payments on account of months seven and ten."

I wish to make one final point on the proposals that I hope will be borne in mind when the regulations are drafted. Although the Chancellor gave a commitment during the Budget statement that he would not raise corporation tax above the new 30 per cent. rate, we are all aware of the commitments that he gave before and during the general election campaign and the ease with which they were breached, rewritten and reinterpreted. "We have no plans to raise tax" became a commitment not to raise income tax when the July Budget revealed a £5 billion a year pensions tax. A commitment not to raise income tax became a commitment not to raise the basic and higher rates of income tax once a decision had been made to reduce the value of the married couple's allowance which increased millions of people's income tax bills.

The commitment on the rate of corporation tax is hardly worth the paper on which it is printed, particularly in view of the Treasury's surreptitious decision not to fight the European Commission's proposals to harmonise business taxes. The only commitment that Treasury Ministers now give is to harmonise personal tax rates. They have dropped any reference to business taxes.

My concern, which is shared by the Institute of Chartered Accountants, is that calculating quarterly payments is rendered uncertain not only because it is based on future results but because, under the current proposals, its payments on account could be rendered insufficient retrospectively if an increase in the tax rate is announced that affects all or part of the current accounting period. Other changes in tax law could have the same effect. Will the Paymaster General confirm that if an under-payment is a result of a change in the rate of corporation tax or a change in the law, no interest, overdue tax or other penalties will be charged? Will he ensure that that is incorporated in the statutory instruments?

I have raised one or two concerns that are shared by those outside the House. It is wrong that a major change should be introduced through secondary legislation. I hope that the Paymaster General will confirm that the regulations will be debated on the Floor of the House, as proposed in the amendment, or, at the very least, in Standing Committee. I hope that the concerns raised by me and others about the proposals set out in the consultation document will be reflected in the statutory instruments.

Mr. Geoffrey Robinson: I fear that I shall be unable to reply to all the points that Opposition Members have raised, although if such a wide-ranging debate on the amendment means that we are not to have a clause stand part debate, I could range more widely.

The Temporary Chairman: In view of the wide-ranging speeches that we have heard, it would not be appropriate to have a clause stand part debate.

Mr. Robinson: In that case, I can reply more widely. I am grateful for your guidance, Mr. Butterfill.

The right hon. Member for Hitchin and Harpenden (Mr. Lilley) bemoaned the fact that amendment No. 1 has not been selected. I congratulate him on tabling an amendment on this occasion. When we started proceedings on our first Budget and were debating the windfall tax, it was beyond the competence of the Opposition to table even one amendment.

The hon. Member for Gordon (Mr. Bruce) made the point, which was reiterated several times by other Opposition Members, that there is something surreptitious about the way in which we are introducing the measure.

Mr. Malcolm Bruce: There is a lack of transparency.

Mr. Robinson: The hon. Gentleman may say that, but all the figures were published not only in the Red Book but in the pre-Budget statement in November, when we set out clearly, for consultative purposes, our plans for advance corporation tax. I refer the hon. Gentleman to section 9 on page 19 of that consultative document, issued by the Inland Revenue on 25 November 1997. I also point out that the figures in that document were higher than those subsequently published in the Red Book.

The hon. Member for Grantham and Stamford (Mr. Davies), who has not been on top form this afternoon, said that there was something surreptitious or covert about the introduction of this legislation; but that could not be wider of the mark. We not only consulted but gave the figures on which we would consult so that there would be no lack of transparency and no misunderstanding. We reached broad agreement on that proposal.

Mr. Lilley *rose—*

Mr. Quentin Davies *rose—*

Mr. Robinson: I shall give way first to the right hon. Member for Hitchin and Harpenden, and then to the hon. Member for Grantham and Stamford.

Mr. Lilley: If the Paymaster General is being open and transparent, will he confirm here and now, on the record, that the net cash raised for the Treasury over the next four

years—the lifetime of this Parliament—as a result of the clause will be just over £5 billion? Or he is trying, like his colleagues, to slip out of putting that on the record?

Mr. Robinson: The right hon. Gentleman is being nothing short of ridiculous. We published higher figures for the cash flow impact in the transitional period. There is bound to be a cash flow impact when moving from the present system of advance corporation tax to an instalment system. We made that clear and did not try to dodge the issue. We discussed the matter with the CBI and industry, and with international as well as domestic companies. They could see that it was a principled reform with inevitable consequences in the transitional period. They understood that we had a long-term interest in stability and low taxation rates and that reducing the rate of corporation tax for large companies and small companies to 30 per cent. and 20 per cent. respectively—the lowest figures ever—would have a major net present value to the companies. That is why we have had considerable support for our proposals.

Mr. Davies: My complaint was not that the figures were not published in the Treasury's document—I said in my speech that they were in the Red Book, which I quoted—but that although the figures were there for those who wanted to find them, the Government, and not only the Paymaster General, were disingenuously pretending that the effect of the Budget was to relieve the corporate sector of part of the existing burden of taxation when the reality was the exact reverse. My complaint was not about the figures in the Treasury's document, but about the deceptive spin put on them by the hon. Gentleman and his colleagues.

Mr. Robinson: The hon. Gentleman misses the point. Not only did we try not to present the measure in that way, but we consulted on figures that clearly showed what the transitional impact would be. One could not be more straightforward or transparent than that.

Mr. Lilley: The Paymaster General could be more straightforward and transparent and not dodge the question. Is it correct that the extra tax raised as a result of the clause will be £5.1 billion over the next four years? Is that true or false? Will he confirm that? Why is he dodging the question? Why is he refusing to put that answer on the record?

Mr. Robinson: Even the right hon. Gentleman can read. He can read the Red Book, just as everyone else can—although he may not know the difference between cash flow and tax. To be precise, this is not a tax. The taxes are being reduced and the cash flow impact is negative. We made the effect clear back in November. That gives the lie also to Conservative Members' claim that the two parts of the major corporate tax reform were not seen as a whole.

Mr. Lilley *rose—*

Mr. Robinson: I shall not give way again because the right hon. Gentleman will only repeat, ad nauseam, the silly little point that he is trying to make. He knows that it is a silly little point and he knows that the figures were published and consulted on. He hates the fact that we have the CBI's agreement for the measure and that our relations with industry are very good, and much better than those of the Conservatives in opposition or in government, but he must accept that. The right hon. Gentleman should be aware that the director general of the CBI wrote praising us for the fact that we had consulted and that we had removed medium companies from the instalment systems and made other adjustments.

The director general is clear that the principles of the reforms are accepted and supported by the large majority of companies in this country. That is what the right hon. Gentleman hates, but I regret to tell him that the Opposition have to learn that the Government—as we will discuss later when we come to individual savings accounts and other matters—are prepared to consult, to listen and to change policy, as we have done. That is nothing of which we should be afraid or ashamed. We recommend that the Opposition learn from that. Had they behaved more properly in that respect when they were in government, they would not have suffered such a disastrous defeat.

Mr. Quentin Davies: Will the Paymaster General give way?

Mr. Robinson: I have given way several times. I shall do so once more, but I hope that it will be a relevant point.

Mr. Davies: It is a relevant point, and I hope that the Paymaster General will deal with it. There is no point in the Government consulting unless they are prepared to explain why they are introducing measures. Why have the Government decided that it is appropriate for income tax under schedule D to be charged on a previous year basis, but corporation tax on a current year basis?

6.30 pm

Mr. Robinson: We took that decision because we felt that, on the whole, it would be much more reliable and more appropriate for companies to forecast quarterly on a revolving basis. I do not know on which boards the hon. Gentleman sits or used to sit, but the idea that a company does not make a clear annual forecast against which there is monthly and quarterly reporting is just unbelievable.

Mr. Davies *rose—*

Mr. Robinson: I have given way an awful lot and we must move on. I always give way to the hon. Gentleman, as he knows—although, quite honestly, I found some of the things that he said today utterly amazing. I shall now deal with some other points that were made in the debate and need some attention.

The hon. Member for Bexhill and Battle (Mr. Wardle) mentioned rapidly growing companies. There are precise provisions—I shall point them out—for rapidly growing companies that relate to whether they were smaller companies in the previous year or whether profits were as high as £10 million. That is a totally adequate provision.

I hasten to add that the hon. Member for Bexhill and Battle should not be seen as encouraging overtrading by companies. It is wise to be prudent in such respects. The question is again only one of cash flow impact. If a company were in so much trouble that it had to borrow from the Inland Revenue at 2 per cent. over base—

[Mr. Robinson]

I would not wish it on any company—it would not get a bad deal at that rate. It is worth pointing out that we have reduced the differential between the borrowing and lending rate of the Inland Revenue and companies from the 5 per cent. that prevailed under the Conservative Government for 18 years and was never touched, to a much more reasonable 2 per cent. At that rate, there is not a great deal for the Opposition to grumble about.

The general mix that we have come up with reflects what we thought was the best judgment of the situation. I do not think that anyone in the House—at least, no hon. Member has declared himself in such a light so far—rejects the principle of what we have done. The Opposition are trying to accept it in principle, but, having willed the end, they will not will the means. That is why the amendment is confusing.

We cannot make regulations under clause 30 without first laying them before the House of Commons. The regulations published on Friday are already in the Library and available to hon. Members. They have to be laid before the House so that we can scrutinise them before they come into effect. Not surprisingly, we do not need the amendment to require that.

The second reason anybody who looks at the amendment is bound to be very puzzled is that it will require instalment regulations to be made under the affirmative resolution procedure. That is the point that the right hon. Member for Hitchin and Harpenden is trying to make in tabling the amendment. Indeed, he went on to say, when challenged, that he could not remember in his experience in the Treasury—I think that he served successively as Financial Secretary and Economic Secretary—the Conservative Government doing anything of the kind that we are proposing. Perish the thought.

In the light of that damascene conversion, why, if the Conservatives did not like regulations being made under the negative resolution procedure, did they not change it during the 18 years that they were in office? I shall tell the right hon. Member for Hitchin and Harpenden what the Conservatives did in those years and give a few figures to substantiate my comments.

The Conservatives were responsible for hundreds of sets of tax regulations that were introduced under the negative resolution procedure, including nearly 200 on direct taxes over the three years to March 1997. The right hon. Member for Hitchin and Harpenden said that the Conservative Government never did any such thing. Perhaps he did not know what they were doing. Perhaps he did not know what he was doing when he was in the Treasury. Above all, perhaps he did not know what the right hon. and learned Member for Rushcliffe (Mr. Clarke) was doing when he was Chancellor. I am sure that the right hon. and learned Gentleman very often did not know about such detail.

In 1993, the Conservatives quite happily made new regulations, covering the deduction from the pay-as-you-earn scheme—tax from employees' wages and salaries—under the negative resolution procedure. What does the right hon. Member for Hitchin and Harpenden have to say about that? Those regulations affected tens of millions of people and tens of billions of pounds of tax. The simple fact is that the right hon. Gentleman did not know what he was talking about then, did not know what the right hon. and learned Member for Rushcliffe was doing, and neither of them knew what the Government were doing.

The amendment is inappropriate and unnecessary and I of course urge the Committee to reject it.

Mr. Lilley: I shall endeavour to be brief so that we can move on to the other two amendments to clause 30.

The hon. Member for Gordon (Mr. Bruce) said that there had been relatively little detailed criticism of the clause. The reason is, of course, that there is rarely detailed criticism until regulations and details are published. They were not published until Friday, they are not yet in the Vote Office or available to hon. Members, and they have not been seen by the outside world ahead of this debate. Consequently, there was no possibility of people making informed submissions that could be considered by Conservative Members or, if they were remotely interested, by Labour Members. That is what is so wrong with the procedures and mechanisms that the Government are pursuing in this matter.

There has been quite a lot of opposition to the fact that the Government are proceeding with the use of regulations on an unprecedented scale. Regulations have always had a place, but when everything is delegated to regulations and none of the detail is in the Bill or published in time for consideration in Committee, that is wrong. My hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb), in a powerful speech that will pay the Paymaster General dividends if he reads it, quoted a series of accountants to the effect that what is proposed is perilously close to a constitutional abuse—and so it is.

My hon. Friend the Member for Grantham and Stamford (Mr. Davies) made a characteristically compelling speech in which he asked the Government why they had not simply drafted a one-clause Bill stipulating that the Treasury should have the power to introduce any tax by whatever measures it thought appropriate in the appropriate regulations. I fear that he is putting ideas into their heads. I saw many of them perk up at the thought.

The process moves from paying tax in arrears to paying it in advance. Inevitably, that involves a period of double taxation. After beginning blusteringly by saying that he would be transparent and open, the Paymaster General dodged answering the question of how much extra tax will be raised by the clause. We are used to his dodging his taxes; now he is dodging telling us how much other people will have to pay in taxes as a result of his measures. That is not satisfactory. We will come back to this time and again. He pretends that industry is happy with the proposals. The CBI welcomed the mitigation of his original, more onerous proposals—

The Second Deputy Chairman of Ways and Means (Mr. Michael Lord): Order. The right hon. Gentleman has just mentioned tax dodging. I am not sure that that is the right phraseology to use, and I would be grateful if he withdrew it.

Mr. Lilley: Of course I withdraw. The Paymaster General is well known for dodging answering questions about either his own taxes or the taxes that he is imposing on others. That is a well-established fact.

We believe that the Government should come clean on the amount of tax involved and recognise that industry does not welcome the extra tax that it is having to pay. What they propose will be welcomed even less when it accumulates with the other burdens they are imposing on business, which threaten a manufacturing recession that is likely to spread in due course to the whole economy.

Amendment negatived.

Mr. Lilley: I beg to move amendment No. 3, in page 16, line 29, at end insert—

> '(c) for special payment arrangements for companies making seasonal profits, enabling such companies to pay instalments based on actual tax-adjusted results for the previous six month period.'.

The quarterly process will inevitably increase taxes on business by requiring companies to forecast their future profits and pay taxes on them before they have been earned. If companies underestimate, they will have to pay interest on the underpayment at a rate designed to discourage understatement. That is a particularly tough requirement on the many firms with highly seasonal business; retailers, for example, who depend on the Christmas season to make any profit at all will have to pay taxes on quarters three and four before they have earned anything at all. The amendment would allow such companies to pay less in the first half of the year.

International experience shows that corporation tax systems can be reformed to help seasonal businesses. In the United States, for example, businesses pay tax by quarterly instalments, but the system is modified to allow seasonal traders to pay each instalment of tax according to the proportion of annual profits earned at each payment date, using previous years' estimates. Seasonal businesses are not looking for any preferential treatment, but for a corporation tax system that acknowledges their distinctive trading patterns.

It must be wrong to force seasonal businesses to pay tax in advance of earning enough revenues to have any profit at all over the year as a whole. Retailers have come to me with detailed suggestions about how to resolve the problem. The Paymaster General should listen to them and act on what they have to say.

To be eligible to use the method we propose, retailers suggest that a company's profits earned in the first six months of the accounting period must be consistently less than their profits earned for the complete financial year. In the US, the proportion is set at 30 per cent. or less of total profit for the year. It would be easy to determine the estimates by looking at established trading patterns over the previous five years, as disclosed in published interim reports. I hope that the Paymaster General will seriously consider the amendment, which should not be costly for the Treasury to accept and introduce and would meet a valid concern of which he should take due note.

Mr. Malcolm Bruce: I support the amendment. Some companies—in agriculture, farming and fruit, for example—have business that is exclusively summer or Christmas related, and it is reasonable to suggest that the Bill should take some account of that. Otherwise, the cash flow benefit to the Treasury may be significant, but the difficulties for individual companies may be real. If the Conservative party intends to divide the Committee on the amendment, we will support it.

Mr. Dafydd Wigley (Caernarfon): I, too, support the amendment. I represent a constituency where there is a considerable seasonal distortion to economic activity. Tourism is one of the major industries in my area; agriculture—when it is not going through a depression, as it is now—is the other.

The fact that major companies in the tourism sector have large amounts of money coming in over a limited period and then have low levels of activity the rest of the year leads to knock-on effects on a host of service industries associated with the demand from the tourism sector. In Llandudno, for example, the population goes up from 20,000 to 200,000 in the summer. That gives an indication of the impact of seasonal business on the business fraternity in the area. The amendment would be helpful in terms of cash flow for such companies, and I hope that the Government will seriously consider it.

6.45 pm

Mr. Geoffrey Robinson: The Committee is rightly considering the amendment in a reasoned tone. Like the right hon. Members for Hitchin and Harpenden (Mr. Lilley) and for Caernarfon (Mr. Wigley), the Government have received representations on it. We met the British Retail Consortium, which suggested something similar to the amendment; it would confine the measure to companies consistently making less than 30 per cent. of their profits in the first half of the year.

The amendment might help a few large companies, but there cannot be too many firms that make upwards of 70 per cent. of their profits in the second half of the year. The Committee will realise that the amendment would add considerable complexity to the rules. The right hon. Member for Hitchin and Harpenden refers to the American situation, but I am sure that he is aware that, in other respects, the American system is less favourable. The whole of the tax, as opposed to half, is paid in the year in question. I do not think that the British Retail Consortium, or anybody else, would want that because it would be so disadvantageous. We would not have received the support that we have received for the changes over a four-year transitional period if we were to move to the American system as a whole.

It is unwise to cherry pick—to have one bit from America and another bit from France—as we would end up with a mish-mash that would not achieve the principled reform we are looking for. I am not inclined to accept the amendment or the proposal from the British Retail Consortium, but we will consider the matter carefully and return to it.

Mr. Lilley: I am grateful to the Paymaster General for that assurance; we will not press the amendment to a vote. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. Lilley: I beg to move amendment No. 4, in page 16, leave out lines 37 and 38.

We have drawn attention to the fact that clause 30 in particular—like the Bill in general—makes excessive use

[Mr. Lilley]

of regulation-making powers. I invite the House to consider particularly the proposed new section 59E(5), which states:

"Regulations under this section—

(a) may make such modifications of any provisions of the Taxes Acts, or

(b) may apply such provisions of the Taxes Acts,

as the Treasury think necessary or expedient for or in connection with giving effect to the provisions of this section."

It is, in short, a Henry VIII clause—a clause that enables the Government, by regulation, to change primary law elsewhere without proper consideration by the House.

We know that the other place has found such legislative provisions particularly abhorrent, but it will not have the chance to vote on the Finance Bill. We should eliminate that subsection and ensure that if the Government want to change primary legislation, they must bring the change to the House in an open and democratic fashion by the normal procedures of the House and may not publish regulations that cannot be amended or debated.

Mr. Geoffrey Robinson: This is, quite simply, a wrecking amendment, and the right hon. Gentleman is again suffering from a fairly severe bout of amnesia. It is quite normal for tax regulation-making powers to permit modifications of this sort. Given the authors of the amendment—people who have served in distinguished positions in the Treasury—the House may be interested to learn that the previous Government's last three Finance Bills provided more than a dozen sets of regulation-making powers covering direct taxes alone, three quarters of which included the power to modify existing provisions of the Taxes Acts.

The only practical effect of the amendment would be to prevent regulations from being made to introduce quarterly instalment payments of corporation tax by large companies. If that is the Opposition's intention—clearly it is—I recommend that we proceed to a vote on the clause as a whole.

Mr. Lilley: The Paymaster General said that the Conservative Government's last three Finance Bills contained 12 sets of regulation-making powers, but this clause alone has 11 and includes the obnoxious subsection that the amendment would delete. On any basis, that should make the Committee wary of allowing the clause to stand part of the Bill—we shall recommend that it votes against doing so.

Amendment negatived.

Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 275, Noes 121.

Division No. 255] **[6.49 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Ballard, Mrs Jackie
Banks, Tony
Bayley, Hugh
Begg, Miss Anne
Bell, Martin *(Tatton)*
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Borrow, David
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Bruce, Malcolm *(Gordon)*
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Stephen
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Canavan, Dennis
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chidgey, David
Chisholm, Malcolm
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clelland, David
Clwyd, Ann
Cohen, Harry
Coleman, Iain
Connarty, Michael
Cook, Frank *(Stockton N)*
Corbyn, Jeremy
Cotter, Brian
Cousins, Jim
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dean, Mrs Janet
Denham, John
Dewar, Rt Hon Donald
Dobbin, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fatchett, Derek
Fearn, Ronnie
Fisher, Mark
Fitzpatrick, Jim
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galloway, George
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Godsiff, Roger
Golding, Mrs Llin
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hanson, David
Harris, Dr Evan
Heal, Mrs Sylvia
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kennedy, Jane *(Wavertree)*
Kidney, David
Killoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Livingstone, Ken
Llwyd, Elfyn
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
McWilliam, John

Mallaber, Judy
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall–Andrews, Robert
Maxton, John
Meacher, Rt Hon Michael
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mudie, George
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Paul *(Torfaen)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Rendel, David
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Roy, Frank
Ruane, Chris
Russell, Bob *(Colchester)*
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Sir Robert *(W Ab'd'ns)*
Southworth, Ms Helen
Spellar, John
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stott, Roger
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, Matthew *(Truro)*
Temple–Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tyler, Paul
Walley, Ms Joan
Welsh, Andrew
White, Brian
Wigley, Rt Hon Dafydd
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Wise, Audrey
Wood, Mike
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Ayes:
Mr. John McFall and
Mr. Jim Dowd.

NOES

Ainsworth, Peter *(E Surrey)*
Arbuthnot, James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baldry, Tony
Bercow, John
Beresford, Sir Paul
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brazier, Julian
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton–Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Hague, Rt Hon William
Hammond, Philip
Heald, Oliver
Heathcoat–Amory, Rt Hon David
Horam, John
Howard, Rt Hon Michael
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Major, Rt Hon John
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Tredinnick, David
Viggers, Peter
Wardle, Charles
Widdecombe, Rt Hon Miss Ann
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. John Whittingdale and
Mr. Nigel Waterson.

Question accordingly agreed to.

Clause 30 ordered to stand part of the Bill.

Mr. Gibb: On a point of order, Mr. Lord. During the debate on amendment No. 2, the hon. Member for Dudley, North (Mr. Cranston) referred to some statutory instruments relating to clause 30 that he said the Government had already published and placed in the Library, and I believe that that was confirmed by the Paymaster General. I asked Library staff for the reference number of the draft regulations; they can trace no sign of any such regulations being published on Friday, and there is no mention of them in the list of draft regulations or on today's Order Paper. Is not it a gross discourtesy to the Committee that the regulations were not published before the debate, and is not something odd going on, when Labour Back Benchers can see them before other hon. Members?

The Second Deputy Chairman: I was not in the Chair when those exchanges took place, but I have no doubt

[Mr. Gibb]

that Ministers will have heard the point of order. If the documents ought to be in the Library and are not, I assume that Ministers will take the appropriate action.

Mr. Geoffrey Robinson: Further to that point of order, Mr. Lord. I hope that the hon. Gentleman asked for the right things when he went to the Library.

Mr. Gibb: Yes.

Mr. Robinson: If that is the case, we are at a loss at the moment, but we will seek to rectify any error as quickly as possible.

Clause 75

USE OF PEPS POWERS TO PROVIDE FOR ACCOUNTS

Mr. Lilley: I beg to move amendment No. 5, in page 60, line 30, leave out 'subsection' and insert 'subsections'.

The Second Deputy Chairman: With this, it will be convenient to discuss the following amendments: No. 7, in page 60, line 36, at end insert—

'(1B) The regulations to be made under this section shall provide that investors over the age of 55 shall not be restricted, within the overall annual contribution limits, in the amount that they may choose to invest in the form of—

(a) cash, or

(b) life insurance.'.

No. 8, in page 60, line 36, at end insert—

'(1C) The regulations to be made under this section shall provide that the charges made for administering an account such as is described in subsection (1A) above shall be no greater than the average charge made for administering a PEP in financial year 1998–99, such average to be calculated by the Treasury.'.

Mr. Lilley: The original plans for individual savings accounts were not only badly thought out but wrong in principle. The original proposals revealed Labour's true intentions on private savings. Labour wanted to tax prudent savers, in effect retrospectively: those who had saved most prudently would face higher tax.

We forced a U-turn on the issue. In a debate some weeks before the Budget, we won the argument, even though we could not win the vote, and the dismay on the faces of Labour Back Benchers was clear when Ministers were unable to put up any coherent defence of the proposals. We welcome the U-turn, humiliating though it may be for the Government.

Unfortunately, the damage has in part been done, because, by publishing their intention to introduce retrospective changes in the taxation of savings vehicles already in existence and savings already accumulated, the Government have made people concerned that, at some future date, a Labour Government might behave in a similar fashion, when they think that they can get away with it. That has increased reluctance to save in the relevant forms. That is doubtless part of the reason for the decline in the savings ratio that is forecast in the Red Book.

Labour originally wanted to reduce the annual amount that people could save in tax-advantaged forms. Alas, that aspect remains in the revised proposals announced in the Budget and in the Bill. The maximum of £10,800 a year of tax-exempt savings will be reduced to only £5,000 a year.

That is especially onerous on those approaching retirement. If they have not made sufficient provision earlier in their life, they will not get the benefits of compound interest that enable people to save lesser sums. Having fewer years to go, they may need to put more money aside. We should prefer a higher amount to be permitted to savers in, say, the last 10 years of their working life.

Thinking that the Government were unlikely to respond to such a sensible measure, which breaks the very principle to which they are wedded, we have made, in amendment No. 7, a suggestion that came originally from Saga, which caters specifically for the over-50s and over-55s, to allow people in that age group greater flexibility on how they deploy their investments, within the £5,000 limit, so that they can do so in less risky ways if they feel that to be appropriate as they approach retirement and have less chance to ride out the ups and downs of the stock market over a longer period.

The Government also wanted to cut the incentives. The cut in the July Budget remains, alas, in the current proposals. Under our Conservative tax system for people saving in personal equity plans, for every £80 net dividend, people got a £20 tax credit, whether they were non-taxpayers or basic rate taxpayers. Under the Government's scheme, the non-taxpayers—those with the lowest incomes—will get no tax credit at all. That will penalise the least well-off relative to the tax regime that we used to have. I will be interested to see whether any Government Members stand up and defend that.

Instead of getting £20 tax credit for every £80 of net dividend, basic rate taxpayers will get only £8.90, and that credit will disappear entirely after five years. The main beneficiaries from investing in equities in individual savings accounts will be top rate taxpayers. Is that what the Labour party envisaged when it was elected? Did it expect Ministers to introduce a scheme in which the primary benefits fall to top rate taxpayers and which limits any tax benefit to those on the lowest incomes and more than halves the benefit to basic rate taxpayers? Unfortunately, the costs of the scheme will absorb most of the tax benefit for basic rate taxpayers. The fourth characteristic of the Government's proposals was that they were reckless about the costs of schemes. The £50,000 lifetime limit would have had the most adverse consequence on providers of savings vehicles, and we are delighted that, at least on the face of it, that has disappeared.

Other complex rules persist and the sheer change in the rules from the previous system will require all suppliers to modify their systems—and incur costs in so doing. That will enhance costs and mean that a basic rate taxpayer with a modest tax credit will find much of the credit is absorbed by the extra costs imposed by that unnecessary change, unless the provider absorbs the costs; unit and investment trust providers sometimes do so.

Our amendments would deal with some of those problems, but, alas, many of the problems inherent in the changes that the Government announced in November or

early December persist in the proposals in the Bill. We can only hope that the Government will be willing to make further changes in addition to the massive changes that they have already been forced to make in response to our arguments and widespread criticisms from the financial and savings community.

Mr. Gibb: Despite all the changes that the Government have made in ending the absurdity of a lifetime limit, perhaps the Paymaster General could tell us the advantages for a basic rate taxpayer of holding equities through an individual savings account, given that any capital gains are likely to absorb his capital gains annual allowance anyway and it is unlikely that such a taxpayer would be able to generate in a normal, average year gains exceeding the annual limit. The 10 per cent. tax credit over five years is unlikely to exceed any charges made by a managed fund scheme, so what are the advantages of a basic rate taxpayer holding equities through an ISA?

If there are no advantages, how can the Government claim that introducing the ISA is any great advance on the TESSA and PEPs regime that already existed? Many outside commentators, including Gavyn Davies, I think—I will stand corrected if I am wrong—have said that all the Government's objectives could have been achieved by simple changes to TESSAs, for example, by removing the ending of the five-year, locked-in period.

The Institute of Directors said of the regime:

"We remain concerned about the low level of the annual limit (£5,000 compared with the £7,800 a year which can now be put into a general PEP plus a TESSA). We are also concerned about the £1,000 sub-limits for cash and insurance products which will increase administrative costs and may also tempt people saving, say, £2,000 a year into inappropriate equity investments."

Will the £5,000 limit be increased to reflect inflation as years go by, or will it stay at £5,000 and thus diminish over time as inflation eats away the value of that figure? Will the Minister confirm which of those two options the Government will pursue?

The main criticism by the Institute of Directors again concerns how the legislation has been put before the House. It said:

"None of this detail is in the Finance Bill itself. We are concerned that matters which should be dealt with in primary legislation, allowing Parliament to make detailed amendments, are being relegated to secondary legislation. If, for example, Parliament were to decide that the limits mentioned above should be changed, it could only achieve this by the very crude method of indicating to Ministers that the regulations for ISAs would be rejected if they did not contain different limits."

Perhaps the Paymaster General will respond to those points.

7.15 pm

Ms Sally Keeble (Northampton, North): I am grateful to have a chance to speak in this debate because the amendments are mean minded and petty, and their aim is to undermine the purpose of introducing the ISA in the first place. In view of the time, I will be brief.

On amendment No. 7, the main aim of the ISA is—and always was—to encourage people who do not already have savings to save. The scheme and the way in which it was to be made available were constructed particularly with that group in mind. At present, young people, especially people with children, have the fewest savings. The family resources survey showed that a third of pensioner couples had £20,000 or more in savings, and one in five of all couples without children had savings at that level. Those are the people who have the most money in savings and who might not look to the ISA to encourage them to start saving. In comparison, a third of all couples of working age with children and 70 per cent. of single parents with children had no savings at all.

An amendment that would change the regulations to encourage people of over 55 to save and to provide a savings regime that is more suitable for them runs against the entire purpose of the ISA.

Mr. Tim Loughton (East Worthing and Shoreham): The hon. Lady is referring to those 6 million elusive investors who are to be attracted into ISAs. Which feature of the ISA will attract those virgin investors with no savings into becoming savers?

Ms Keeble: I am grateful to the hon. Gentleman for making that point. People may not save with the mainstream financial institutions, but that does not mean that they have no savings at all. They might well have savings in credit unions or the myriad other informal savings schemes. It is extremely important that those people are attracted into the mainstream so that they can get access to a wider range of financial services. If they have savings accounts, they might also be able to get access to loan accounts.

I take the hon. Gentleman's point about which elements of the ISA are the most attractive. I suspect that they will be the points of access, which is why the supermarkets are so important, and the fact that complex services will be offered, but with ease of access so that people can take their money out as well, which will encourage them to start putting money into savings.

Mr. Loughton: I think that the hon. Lady is actually saying something different. If she is alluding to current savings in non-mainstream schemes, such as credit unions or small bank accounts, and saying that those savings could be transferred into the new ISA regime, that will not add a single penny in additional savings. The existing bank arrangements with supermarkets are perfectly accessible and are available to any shopper. Why will ISAs be more attractive and induce people to save more?

Ms Keeble: I am not merely thinking of small banks. Credit unions are one such scheme, certainly, but there are many other informal schemes such as Christmas clubs and so forth, in which people save small amounts of money over a short period. Those provide savings schemes for the people who have the least money of all. I do not know the extent of such schemes, but I am certainly thinking of those people. The hon. Gentleman is right in that we do not merely want people to shift their savings from one scheme to another. I have dealt with the aspects of the scheme that will probably be most attractive to people who do not save in mainstream savings accounts.

The Government need to stimulate savings most among people of working age who have children still living at home. Amendment No. 7 would not primarily help such people. In addition, it would give tax incentives to people who are already relatively wealthy for their cash savings, which would not be a prudent use of tax incentives.

[Ms Keeble]

It would, in some ways be silly to produce a new PEP with cash by the back door. The over-55s are already the most likely to own a PEP; the British Household Panel survey found that 31 per cent. of the richest over-55s and 43 per cent. of the richest over-60s have at least one PEP. A PEP with cash by the back door would not achieve the purpose for which the Government produced the scheme.

On Tory amendment No. 8, it is of course desirable that administration costs are as low as possible. The Labour party has—quite rightly—criticised the high administration costs of, for example, private pensions. The Government plan to introduce benchmarking of costs for the individual savings accounts. That, combined with careful monitoring, is the right way to control administration costs and ensure that people with relatively low incomes get good value for money in their savings.

Mr. Philip Hammond (Runnymede and Weybridge) *rose—*

Mr. Loughton *rose—*

Ms Keeble: I have an embarrassment of choice.

Mr. Hammond: Does the hon. Lady think that costs can be equated with value for money?

Ms Keeble: People who do not have much money clearly need savings that provide as much return as possible and are best served by keeping administration costs low. The question is how to do it. I shall deal later with why the proposals in your amendment are not right.

The Second Deputy Chairman: Order. The hon. Lady must be aware that I have not put anything in any amendment.

Ms Keeble: I apologise, Mr. Lord. I mean that I will deal later with the amendments tabled by the hon. Gentleman's party, which I do not believe are the right way to control costs.

The Government's proposals rightly provide flexibility and the means to ensure that mainstream financial institutions will control administrative costs and pass on as much as possible of the benefits to people on low incomes.

Mr. Loughton: I am grateful to the hon. Lady for taking a multi-volley of interventions.

The hon. Lady has raised benchmarking. Is she saying that cost of a product is the only aspect of benchmarking essential to ISAs? Can she distinguish between benchmarking and kite marking? Labour Members have used both terms—but have inter-used and wholly confused them.

Ms Keeble: At the risk of further confusion, I shall give my understanding, which is that kite marking involves approval for particular ways of doing things whereas benchmarking is about criteria for an aspect of a scheme. Certain percentages might be set for administration costs, for example. That differs from kite marking, which says that this, that or the other is an approved scheme.

Administration costs must be examined and are likely to be a difficult area of the scheme. Accounts in which people make frequent, small deposits and can withdraw money fairly easily have high servicing costs. That is why the Government must set a benchmark in this area and provide a real incentive to financial institutions to provide such schemes. The institutions will not think up such schemes on their own. Some institutions are not providing particularly good services at present.

Artificially capping administration costs would probably make it extremely difficult to deliver such accounts, at least in a way that makes them attractive to people who have not previously saved in mainstream savings accounts. Some of the factors likely to make ISAs attractive to people on low incomes—such as frequent withdrawal and ability to make small deposits—will make them difficult to service.

The amendment would undermine the success of the scheme. I believe that that is what the Opposition want. Having failed to win the argument in open debate, they are trying to scupper the individual savings accounts by their mean-minded measures, which would do nothing to provide tax breaks to people with less money and would do everything to protect the incomes of the top 10 per cent. of income earners aged over 50. That is another way of saying that the Tory party is simply trying to look after its own, not the wider interests of the country and the public. I urge the Committee to reject the amendments.

Mr. Loughton: First, I must declare an interest, which is in the Register of Members' Interests. I worked for a company that administered PEPs and have run PEPs for 10 years, since their inception.

The amendments tackle problems in the Bill for older people. Like my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley), I welcome the climbdown on PEPs. We wish ISAs well and we need them to work, but they must be the right product in the right formulation. We also welcome the tacit admission—at last—that the Government will have to forgo tax relief in order to encourage savings. The net effect of the new proposals will mean forgoing much more tax relief to the Treasury than ever happened under PEPs, as the Paymaster General has had to admit in various answers to written questions.

It is a shame that the ISA proposals contain a major missed opportunity to encourage the elusive 6 million people to save for the long term by not linking a savings scheme with the benefit system and stakeholder pensions. Time and again, we are faced with these 6 million people. We do not know who they are or where they come from. If they are shyly revealing themselves, where are they hiding?

It is a complete fantasy to say that 6 million people are queuing to throw money at the doors of the Treasury. Six million lower-earning people are not remotely attracted by a capital gains tax concession, as they would get nowhere near the current £6,800 limit. They are not attracted by a tax credit that, on an average yield on a £5,000 equity investment, would amount to just £14, which would be more than gobbled up in charges.

As the hon. Member for Northampton, North (Ms Keeble) admitted, the only real attraction of the scheme will be to the Christmas club-type cash element.

What will really happen is that people who have existing small amounts of money in various pots may shift it to more convenient pots within an ISA. That will not add a single penny to savings, which surely is not the Government's underlying intention. Far from the scheme being a temptation for 6 million new investors, it would be easier for the Paymaster General to feed the 5,000.

The Bill completely misses the need to look after people with existing PEPs. Although PEPs will be allowed to continue, flaws remain that would have had to be changed even if PEPs had remained without an alternative. For example, why should PEP holders be unable to have the full range of overseas investment that new ISA investors may have?

Holders of single-company PEPs from their inception should not have to have six completely ring-circled deposit accounts for different years. If they have had one particularly good PEP—perhaps worth £20,000 or £30,000 now—they must reinvest it in only one stock, which puts a disproportionate exposure on a single equity or fund.

Ms Keeble: Does the hon. Gentleman accept that even reasonably wealthy people who save tend to invest money for a shorter time than they can afford—for five years rather than 10? The real challenge is not to get non-savers to save for one, two or three years but to save at all. Having got them used to that, with the confidence that they can get access to their money in a crisis, the aim is then to get them to save for longer periods. Does he accept that people with money do not always put it into great long-term investments, because they want access to it?

7.30 pm

Mr. Loughton: I agree with the hon. Lady's aims, but, with the greater flexibility of ISAs and enabling people to take out cash and, in a confused way, refund it later—whether it is capital or accumulated income that is taken out and replaced is not clear—the Government are not encouraging longer-term investment. That is a fallacy. There was an inflexibility with PEPs, but one advantage of that was that people were committed to longer-term saving.

The real problem is that time is ticking away, especially for older investors, as my right hon. Friend the Member for Hitchin and Harpenden said. The ISA regulations are not even out yet and are not due before 10 May, but ISAs will start in 11 months. City firms and independent financial advisers will have to set up systems ready to work by the end of this year, but we do not have full details of how the scheme will work. It will cost a vast fortune in personnel, time and new computer equipment at a time when financial institutions are juggling with self-assessment, corporate tax self-assessment, the euro, the millennium bug and everything else.

Mr. Hammond: Does my hon. Friend agree that financial institutions face a major task in persuading existing regular savers in PEPs to sign the necessary paperwork to convert their contracts to continue saving regularly in ISAs, and that it is vital that we do not allow those people to slip through the net?

Mr. Loughton: That is right. Will we need to have completely new client agreements for PEP holders who will hold ISAs? There is much paperwork still to be done. Six months on from the original disastrous consultation document, many questions remain, and we have no idea of the answers.

Will the money that can be transferred from TESSAs after their maturity be the capital or the capital and the interest? No answer has been given. Will TESSA holders be able to transfer the cash from the cash component of an ISA to the equity component? We do not know. There is a raft of questions on regulation and monitoring, which is of particular concern to older people who do not want the hassle and confusion of changes and much more paperwork. How will the reporting of what people have got in ISAs happen? Whom will they report to? How will we cope with the different components of ISAs being run by different plan managers in the same year? Who will monitor the multi-provider component parts to avoid the risk of over-subscription in one year or five years or whenever it will be?

When will we get details about the proposed maxi or mini ISAs that have been dangled in front of us by Treasury representatives? What happens when ISA holders reach the cash, insurance or equity ceiling when they have different plans with different managers over several years? What will happen with withdrawals? Will capital or accumulated income be taken out? Who will monitor it when it is put back a few years later? Who will oversee best advice on a continuing basis, particularly with the insurance element, which demands a higher degree of best advice?

When a 55-year-old goes to Tesco, which has a link with a large Scottish pension and investment product company, and decides among his frozen peas and bargain yoghurts to put money into his ISA, it is likely that he will be offered an ISA linked to that company's plan. That is fine; he may go back a few months later and add more money. He may have a regular savings plan. When that investment is no longer the most appropriate—it may have fallen from the first to the third or even fourth quartile—whose is the responsibility to advise that investor to move to a different product? What onus is there on a supermarket, whose major responsibility and profit centre is flogging groceries, to ensure that that investor continues to have the best and most appropriate investment?

That brings me to benchmarking, which was mentioned by the hon. Member for Northampton, North. When will we get the consultation document on benchmarking or kite marking? Whenever the Revenue opens its mouth, it leaves open more questions than it answers. The Paymaster General knows that the head of regulation at the Treasury, Paula Diggle, gave one of her many presentations on the subject at a recent meeting of the Personal Equity Plan Managers Association. She likened benchmarking to the pure new wool mark on jumpers or the real dairy cream mark on dairy products. It sounds simple, but wool shrinks and cream is full of clots and can go sour if it is not looked after properly. Investments can go wrong and markets can go down, but the Government want to attract 6 million virgin investors without making them properly aware of the risks of equity or insurance investment and no idea yet of how investors will get on-going best advice to ensure that they get the best deals. It is unclear how ISAs will work, how they will be regulated and how on-going best advice will be guaranteed.

[Mr. Loughton]

Benchmarking is important because of its ability to make the market in ISAs grow fast, if it is to be successful. People will look for benchmarks, if that is how the Government are going to mark things, but what is benchmarking? I asked the hon. Member for Northampton, North about that earlier. It represents the replacement of advice and suitability tests with the judgment of the Government. It inherently means that the Government, through the Treasury, endorse the product as having a wide-ranging suitability for almost everyone. Before long, everyone will be shuffled into tracker funds. No doubt it will be called the people's tracker fund. All our 55-year-olds and younger investors will be encouraged to save in it by a nice little Government-approved benchmark, but if it goes wrong who is to blame? Where does the investor go for compensation?

Mr. Gibb: What would happen if all investors generally put their money into tracker funds, which track the stock exchange index? Would not that have a distorting effect on the stock market's top 100 or 200—depending on which index was being followed—companies?

Mr. Loughton: That would depend on what the fund was tracking. An artificial amount of money could go into one index that was being tracked. Inherently, tracker funds are fully invested. All the proposals have been formulated in a period in which markets have gone up by at least 20 per cent. over the past few years. At some stage, that bubble will burst. Growth may be more modest or markets may go down and tracker funds will track the relevant index down. Someone sucked into the Tesco hype by the ISA marketing glitz promulgated by the Paymaster General, who—

The Second Deputy Chairman: Order. The hon. Gentleman is straying wide of the amendments. I would be grateful if he returned to them.

Mr. Loughton: I apologise. I have almost finished. Benchmarking is a key issue and was raised by Labour Members.

I fear that if investments go the wrong way, as is highly possible, we will have a misbuying scandal that will make the Albanian pyramid selling scheme and the pensions business so often mentioned by Labour Members look like a tea party.

Ms Keeble: Will the hon. Gentleman give way?

Mr. Loughton: May I just make this point, as I am sure that the hon. Lady will take me up on it?

What is benchmarking actually benchmarking? Is it against charges—that someone is or is not offering a good-value product? Is it against the soundness and financial credibility of the investment manager handling the ISA products? Is it against the past investment performance of the products offered by that investment manager?

Ms Keeble: The hon. Gentleman has made much of the fact that people on low incomes who invest in ISAs might suffer because tracker funds, into which some of the money may go, track the market downward as well as upward. Does he agree that one of the attractions of PEPs is that they allow entrance into an extremely lucrative market and that, by and large, stock market investments have gone up faster than the interest rates obtainable on conventional savings accounts? Part of the ISA's attraction is that it gives people on low incomes who cannot afford to go trundling off to a stockbroker access to the stock exchange and to the greater returns that that can give, accepting that there is of course a risk. Does he accept that—

The Second Deputy Chairman: Order. That is an extremely long intervention of a very general nature. I should be grateful if the hon. Member for East Worthing and Shoreham (Mr. Loughton), who is about to respond, is not drawn in that general direction, but returns to addressing the amendment.

Mr. Loughton: I shall indeed, Mr. Lord—I have almost finished my remarks. The hon. Lady makes an interesting point; the Paymaster General himself in Committee last year said:

"There is no logic that I am aware of in share price movements."—[*Official Report, Standing Committee A*, 17 July 1997; c. 19.]

There is no guarantee that the stock market is a one-way bet, as the Lady suggests.

The Second Deputy Chairman: Order. The hon. Gentleman is an hon. Gentleman and the hon. Lady is an hon. Lady.

Mr. Loughton: I meant no disrespect—I do apologise to the hon. Lady and to you, Mr. Lord.

Earlier, I was asking what benchmarking is all about. We have no clear definition at all, which could lead to a false sense of security among the 6 million-strong army of virgin investors on whom the scheme is targeted. In a letter to the Independent Financial Advisers Association, the Treasury stated that ISAs were about encouraging ethnic minorities, families on low income and women to save. On that basis, is the benchmark to be based on the "Woman's Own" seal of approval, or on the endorsement of the Commission for Racial Equality? We simply do not know.

ISAs must succeed—we must get them right. We should by now have cleared up all those important questions, of which the largest and most worrying is that of benchmarking. If that is not resolved, it could result in the biggest ever misbuying scandal. Time is ticking away, yet, even at the Committee stage of the Bill, we do not have the consultation documents or some of the proposals on the mechanics of ISAs and how they are to work, and the ISAs themselves are still too complicated.

Mr. Nick St. Aubyn (Guildford): I am grateful to my hon. Friend the Member for East Worthing and Shoreham (Mr. Loughton) for carrying out such an effective demolition job on ISAs, because that will save me from having to repeat a number of points. However, I have several points I wish to make.

Drawing on my hon. Friend's point, the capital gains benefit for small savers simply does not exist within ISAs, nor does the income tax benefit. The Government have already knocked that away with their changes to the system of corporation tax. There is not only a new pensions tax, but a new ISAs tax, in that distributions by companies will already have suffered corporation tax and there will be no offsetting credit. It is contradictory for the Government to claim that what is primarily an equity investment vehicle will be attractive to lower rate taxpayers and, at the same time, to say that they have made the changes to corporation tax in order to encourage companies not to make distributions and to invest the money in the company for capital gain instead.

The Second Deputy Chairman: Order. I have to remind the hon. Gentleman quite firmly that the amendments before the Committee are tightly drawn and he must direct his remarks to them.

Mr. St. Aubyn: What I am coming to is that the amendments propose to relax the rules relating to ISAs, so that small-scale savers, for example, are not obliged to invest in equities, but can invest most of their ISA in interest-bearing accounts, where they can at least gain the full income tax benefit without the offset of corporation tax.

Ms Keeble: The hon. Gentleman says that the amendment would relax the rules so that people could put more money into interest-bearing savings accounts, yet the amendment applies only to savers over the age of 55. What he is saying is not borne out by the amendment, because that would impose a restriction on ISAs and not relax the rules.

7.45 pm

Mr. St. Aubyn: The whole system of ISAs is flawed, because the Government are yet again changing the rules and making saving more complicated. That alone will deter investment by the very people whom the Government claim they want to encourage to save—the 6 million so-called potential savers.

The Financial Secretary is mistaken to think that the fact that PEPs and TESSAs give most advantage to relatively well-off people somehow goes against the interests of the less well-off. When people in this country save, it is to the benefit of the entire economy; when people save, it is to the benefit of the overall level of investment in our economy. The reason why the Opposition oppose the Government's measures is that they discourage saving in many ways—we see that in the Red Book projections—and discourage investment.

The Government claim that they want small savers to save money, but, by their policies, they cannot even save such people's jobs because we are on the threshold of a recession in manufacturing. It is unrealistic of the Government to think that those who have no spare cash will start to save discretionary sums, not only in deposit accounts, but in higher risk equities. That is simply to misunderstand the needs and aspirations of the very group of people whom they claim to represent. They do not do so. At least the amendments will increase the flexibility of the ISA scheme, so that those who aspire to participate in it will know that it is slightly more open ended than the Government intend. That is why I support the amendments.

Mr. Gibb: I rise again to correct something I said earlier when speaking to amendment No. 8. I referred to Gavyn Davies, whereas I meant to refer to Andrew Dilnot, which puts a completely different complexion on my remarks—indeed, some might argue that it adds credibility to my remarks, given that Andrew Dilnot is director of the Institute for Fiscal Studies. In his evidence to the Treasury Select Committee in March, he made some powerful points and was quite damning of the Government's proposals. He said:

"Almost all of the objectives that will now be achieved by the ISAs could equally have been achieved by abolishing the five year lock-in period on TESSAs and leaving things as they were. If we really thought we wanted to have some life insurance in a tax free regime, we should have allowed £1,000 life assurance into PEPs. While the consultation period has allowed some of the undoubtedly extremely problematic suggestions made last December to be removed and we are left with something which is broadly sensible, we could have got there with a great deal less sound and fury. Now we are in a rather peculiar position where by the year 2000 we can have people with at least six different sorts of savings schemes: a PEP, a TESSA, a maxi ISA, a mini cash ISA, a mini life assurance ISA, and a mini stocks and shares ISA. This does seem to be an unnecessary proliferation of schemes."

While I am on my feet, I should mention that the Institute of Chartered Accountants is of the same opinion, believing that the new regime of ISAs and the costs that will be borne by those taking out an ISA are completely unnecessary. The Institute of Chartered Accountants says:

"It is our conclusion that it would be more straightforward to amend the existing PEP and TESSA savings schemes rather than introduce a wholly new scheme, particularly as the proposed ISA does not appear to offer improved savings incentives, and in fact may well discourage many individuals from saving."

Mr. Geoffrey Robinson: As you said, Mr. Lord, the amendments are tightly drawn. However, our debate has been slightly wider. In effect, amendment No. 5 is a paving amendment, leading into amendment No. 7, which would allow those aged over 55 to invest more than £1,000, during the lifetime of the scheme, in cash. One might equally argue that younger people should be encouraged in that direction, but to argue in favour of the amendment, as the right hon. Member for Hitchin and Harpenden (Mr. Lilley) did, is to misunderstand what the revised savings scheme is about.

Surprisingly, the hon. Member for East Worthing and Shoreham (Mr. Loughton) says that he has parliamentary written answers in which we say that the new scheme will cost more than the previous PEPs and TESSAs regime. I should like to see them. I shall hasten to be corrected if I am wrong, but I believe that we said in the Budget and in the Red Book—the Red Book figures show this to be the case—that, in the first year, the new scheme would cost the same as the previous scheme, then it would cost plus £30 million, then minus £30 million, giving broadly the same cost in terms of tax relief for the new system as for the old system. *[Interruption.]* I shall give the hon. Member for Sevenoaks (Mr. Fallon) the page reference if he needs it. I do not recollect—although I stand to be corrected—that we have ever said that the cost would be any more than that.

[Mr. Geoffrey Robinson]

The entire effort of the new scheme is directed at re-balancing the tax relief to encourage the half of the population who have, and make, no savings at all to save. Although the hon. Member for Guildford (Mr. St. Aubyn) may think it derisory, it is a worthy aim, and it has found widespread support. We should not be as pessimistic as he is about its eventual success. I believe that the Conservatives cannot bear the tremendous welcome that the revised proposals are receiving. They cannot bear the fact that we have consulted and that we have such a wide measure of support for our present proposals.

My hon. Friend the Financial Secretary received from Lloyds bank a rather good document, entitled "The new Individual Savings Account (ISA)", because she happens to hold a present PEP—I am proud that she does. It says:

"Lloyds Bank is dedicated to providing customers with good savings products and we believe that ISAs will offer customers many benefits."

I would try your patience, Mr. Lord, if I were to quote the many welcomes that our revised proposals have received. None of those people has come to us with the bizarre proposals that we have received from the official Opposition.

Mr. Loughton: I do not want to be flippant; I just wonder what advice the Paymaster General has received from his own bank, whether he has a PEP and whether he will take out an ISA.

Mr. Robinson: I cannot give advice to anyone on these matters, but I can tell the hon. Gentleman that we have had a warm welcome from his organisation. I shall not embarrass him by reading the letter that I have in my pocket from his chairman, a most distinguished City figure, congratulating us on our consultation process. Indeed, the chairman of Autif said that it was a model of consultation. It did not always feel like that from my side of the—

Mr. St. Aubyn *rose—*

Mr. Robinson: If the hon. Gentleman wants to make a point on the amendments, I give way to him.

Mr. St. Aubyn: Is the Minister telling us that the process is a model of consultation because he listened to Conservative representations to lift the cap on the size of ISAs?

Mr. Robinson: It was a model of consultation because we listened and acted on what we heard, and because the Government are not afraid to consult, to change their mind and to improve things in the light of consultation. That is what it is all about. Two or three things came out of the consultative phase—nothing that relates to the amendments, or to much that Conservative Members have said about them today.

The sole purpose of the proposals was to re-balance the system within the existing tax costs and, in doing so, to encourage those who do not save, to save. There is, therefore, no point in focusing on 55-year-olds and over any more than on anyone else. We are focusing on the half of the population who make no savings. That is why it is so encouraging that Schroder, Safeway, Halifax, Pepma, M & G, Fidelity, Virgin and Barclays, to name but a few, say that they will offer the ISA programme—the cash ISA in particular. If we are to make a breakthrough in savings, it must be through the cash ISA, and at £1,000 a year, with £2,000 extra in the first year if it is taken up in that way, it is already at a more than adequate level at which to target those who do not save.

Mr. Loughton *rose—*

Mr. Robinson: I shall give way once more, but I must make progress.

Mr. Loughton: On a technical point, will the Paymaster General admit that the policy that a 55-year-old could buy with his insurance money within an ISA would be substantially less attractive than the amount that a 25 or 35-year-old could buy because of his age, health and so on, so there is good reason for giving him extra favourable treatment later in life?

Mr. Robinson: Conservative Members do not seem to want to take the point that we want to encourage the half of the population who do not save at all to save. That is the sole criterion; that is what we are trying to encourage. The hon. Gentleman, unlike the hon. Member for Guildford, welcomed the ISA—they might decide where they stand on this matter—and raised a raft of valid technical points. I assure him that the draft regulations will be published next month, and that we shall get down to the hard work that is needed in that regard. I can reassure him on one point now, however, and that is that the TESSAs to be transferred will be capital only, as was the case, as he will readily concede, when the Conservatives were in government. That is what they did in rolling over TESSAs.

Amendment No. 8 deals with charges. We can see no point in the official Opposition's proposal that costs should be limited to the average of those currently charged for administering PEPs. We are trying to drive down costs, and we are driving them down; that is the point of benchmarking. However, it is a free market, so if people want to offer a complicated product, it is up to them, and it is up to sophisticated investors who would be tempted by it to decide whether to take it. To be prescriptive in that way runs so counter to the Opposition's usual thinking that I am surprised by the amendment.

For all those reasons—

Mr. St. Aubyn: Will the Paymaster General give way?

Mr. Robinson: I give way one last time.

Mr. St. Aubyn: The Paymaster General has told us that he believes in a free market in charges. Will he explain why, under the Bill, those who have PEPs—which, as he says, will now be frozen—will be unable to switch their frozen PEP to another fund manager, to allow competition to continue on charges for those on-going PEPs?

Mr. Robinson: We have arranged that a very good system of competition will apply to the ISA product, and

that is the important benefit on which we must concentrate, which seems to be lost on Conservative Members.

I have done my best to explain our reasoned opposition to these interlinking amendments, which have rightly been taken together, and I must advise the Committee to resist them.

Mr. Michael Fallon (Sevenoaks): First, I should declare that I, too, have a PEP, but I have not received the glossy leaflet that the Financial Secretary has had. Perhaps we should christen her bank the crawling bank—the bank that likes to say, "Yes, yes". I look forward to hearing from my PEP provider in similar vein.

We tabled amendment No. 8 simply because it is important to get some control of the administrative costs of what the Paymaster General, I notice, now calls the RSS—his revised savings scheme. I do not know whether he is officially christening it in that way. As he is aware, the PEP rules run to more than 100 pages. They were composed under an efficient, benevolent Government. What is the point of having a new set—another 100 pages—of administrative rules for the ISA?

Would it not be better if the Paymaster General accepted that the Government have got all this wrong? Why should not the ISA simply be a PEP 2, or why did he not allow an instant-access TESSA? If he is going ahead with this bureaucratic new savings account, it is important that we reduce costs.

We have other concerns about costs, which is why we want a statutory cap on them. First, will the ISA lie inside or outside the provisions of the Financial Services Act 1986? Perhaps the Paymaster General will help us on that point. If the ISA lies outside the 1986 Act, there will, presumably, have to be a compensation scheme if ISAs are mis-sold, and those who are inside the provisions of the 1986 Act will presumably have to fund such a scheme. Will advisers who come under the provisions of the 1986 Act be allowed to retail ISAs under the same rules as non-regulated retailers, or will the Paymaster General regulate covertly those who retail ISAs generally? We have heard in speech after speech on financial services and from the Paymaster General that the Government want to drive down costs. The best way in which to do that is to put a statutory cap in the Bill, which is the purpose of amendment No. 8.

8 pm

We had a brief but revealing debate on amendments Nos. 5 and 7. Almost nothing in the Bill does anything for pensioners. The Red Book devotes only six lines to them, three of which repeat part of the pre-Budget report. We knew that the Bill ignored the interests of pensioners, but this is the first time since the Budget that pensioners have been attacked.

In an extraordinary speech, the hon. Member for Northampton, North (Ms Keeble) described the pensioners' amendment as mean minded. Was she describing Saga as mean minded? Was she describing those who want to protect the interests of older pensioners who have never saved before as mean minded? If she examines her speech in the cold light of tomorrow, she will see its illogicality. She rightly went on to argue that she wanted ISAs to be most attractive to those who have no other savings. To achieve that, the ISA must be right for older new savers as well as for younger new savers.

Our amendment would not reduce the attractiveness of the ISA for younger savers; it would deal with the position of those who are getting on and are over 55—the hon. Lady is one of the younger members of the Committee—who will not be able to take the same advantage of an ISA as she might. The life assurance limit of £1,000 offers far less protection for a 55-year-old than for a 35-year-old. The account would be held for a briefer period, so people of that age would have less time to ride out market fluctuations and build up an account that would serve them well in retirement.

The amendment would ensure that, within the annual limit that is being imposed, the proportion that goes into life assurance could be greater for older people than is prescribed by the Bill.

Ms Keeble: Does the hon. Gentleman accept that I referred to over-55s in the top decile of income earners?

Mr. Fallon: Some over-55s will be in the top decile of income earners, but we are both discussing helping those with no savings. We must encourage some of the people in that group to take out an ISA, which is why the life assurance limit must not discriminate against people who happen to be 55 or over. I hope that the hon. Lady will support us on the amendment.

The Paymaster General should reconsider his view on the amendment, for three reasons. First, he will be 60 next month, so he has an interest in it. He may not have had time to concentrate on his life assurance policy, among his other investments and financial affairs. We want to ensure that he is not disadvantaged against other hon. Members, so I hope that, for his own sake, he will reconsider and speak up for pensioners.

Secondly, the Paymaster General has repeatedly said that he will listen. The £1,000 limit is not in the Bill; like almost every other matter that we are debating, it will be dealt with in regulations. I hope that he is prepared to reconsider, because those who are getting on in life will not be able to take the same advantage of the £1,000 limit as those who are younger.

Thirdly, the Paymaster General has listened before, which is why we hope for a change of view. The previous time that he faced us over the Dispatch Box, he was still defending the £50,000 limit. On the surface, that limit has disappeared. Other aspects of the ISA have gone as well—we have not heard much of the proposed annual raffle—but the internal limits remain, and they deeply discriminate against the over-55s. For those reasons, I invite the Committee to support the amendment.

Question put, That the amendment be made:—

The Committee divided: Ayes 118, Noes 275.

Division No. 256] **[8.6 pm**

AYES

Ainsworth, Peter *(E Surrey)*	Bruce, Ian *(S Dorset)*
Arbuthnot, James	Chapman, Sir Sydney
Atkinson, David *(Bour'mth E)*	*(Chipping Barnet)*
Atkinson, Peter *(Hexham)*	Chope, Christopher
Baldry, Tony	Clappison, James
Bercow, John	Clarke, Rt Hon Kenneth
Beresford, Sir Paul	*(Rushcliffe)*
Boswell, Tim	Clifton-Brown, Geoffrey
Brazier, Julian	Collins, Tim
Browning, Mrs Angela	Colvin, Michael

Cormack, Sir Patrick
Cran, James
Dafis, Cynog
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Dorrell, Rt Hon Stephen
Duncan, Alan
Emery, Rt Hon Sir Peter
Evans, Nigel
Ewing, Mrs Margaret
Faber, David
Fabricant, Michael
Fallon, Michael
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Heald, Oliver
Heathcoat–Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Johnson Smith,
Rt Hon Sir Geoffrey
Jones, Ieuan Wyn *(Ynys Môn)*
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Loughton, Tim
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Malins, Humfrey
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robertson, Laurence *(Tewk'b'ry)*
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Steen, Anthony
Swayne, Desmond
Swinney, John
Syms, Robert
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Tredinnick, David
Viggers, Peter
Wardle, Charles
Waterson, Nigel
Welsh, Andrew
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wigley, Rt Hon Dafydd
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Sir David Madel and
Mr. Stephen Day.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Janet *(Rossendale)*
Ashton, Joe
Atkins, Charlotte
Ballard, Mrs Jackie
Banks, Tony
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bell, Martin *(Tatton)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Best, Harold
Blackman, Liz
Blizzard, Bob
Borrow, David
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Bruce, Malcolm *(Gordon)*
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Stephen
Cabom, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Canavan, Dennis
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chidgey, David
Chisholm, Malcolm
Clark, Dr Lynda
(Edinburgh Pentlands)
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clelland, David
Clwyd, Ann
Cohen, Harry
Coleman, Iain
Connarty, Michael
Cook, Frank *(Stockton N)*
Corbyn, Jeremy
Cotter, Brian
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dean, Mrs Janet
Denham, John
Dewar, Rt Hon Donald
Dobbin, Jim
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fatchett, Derek
Fearn, Ronnie
Fisher, Mark
Flynn, Paul
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galloway, George
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Godsiff, Roger
Golding, Mrs Llin
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hanson, David
Heal, Mrs Sylvia
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie
(Welwyn Hatfield)
Jones, Barry *(Alyn & Deeside)*
Jones, Ms Jenny
(Wolverh'ton SW)
Jones, Jon Owen *(Cardiff C)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Livingstone, Ken
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
McWilliam, John
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall–Andrews, Robert
Maxton, John
Meacher, Rt Hon Michael
Merron, Gillian
Michie, Bill *(Sheff'ld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Alan
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mudie, George
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Paul *(Torfaen)*
O'Brien, Mike *(N Warks)*
Olner, Bill
Organ, Mrs Diana

Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Rendel, David
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Roy, Frank
Ruane, Chris
Ruddock, Ms Joan
Russell, Bob *(Colchester)*
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Sir Robert *(W Ab'd'ns)*
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, Matthew *(Truro)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tyler, Paul
Walley, Ms Joan
White, Brian
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Wise, Audrey
Wood, Mike
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Noes:
Mr. Clive Betts and
Mr. David Jamieson.

Question accordingly negatived.

Mr. Lilley: I beg to move amendment No. 6, in page 60, line 32, after 'account', insert

'which may (if the investor so wishes) be retained for the remainder of his life'.

One of the most significant proposals in the original plans that the Government announced for individual savings accounts was the one to introduce a lifetime limit of £50,000 as the maximum amount of tax-exempt savings that people could put into their replacements for PEPs and TESSAs. That was punitively low by comparison with the amount necessary to buy a modest pension. Indeed, I have already pointed out how small the amount is compared with what a long-serving Member of Parliament, such as the hon. Member for Bolsover (Mr. Skinner), who raised the issue, would be entitled to by way of a pension. To buy a pension equivalent to the hon. Gentleman's would cost about £350,000, so setting a limit of £50,000 for people's savings was a damaging threat.

It was especially offensive that the proposals came from the Paymaster General, who has such large amounts in tax-favoured forms in the Channel Islands. That is why there was such outrage in the country at the suggestion that this limit should be imposed. It was also wrong because it was unworkable in practice, in that following through people's ownership of ISAs over a lifetime would be very difficult; monitoring and maintaining the requisite records would have imposed a great cost on the providers. We are therefore glad that the £50,000 limit has gone.

The suspicion remains, however, that the Labour party would like to bring back the limit through the back door. The Government have promised to guarantee ISAs only for 10 years. In a possibly Freudian slip, the Paymaster General earlier today referred to people being allowed to invest £1,000 a year during the lifetime of the scheme. He clearly continues to think that there is to be a lifetime limit on investments in the scheme. The 10-year guaranteed life effectively means that people can put £5,000 a year aside for 10 years: we are back at the £50,000 lifetime limit, by the back door.

Our suspicions are fuelled by the fact that the Government refused to put their so-called guarantee in legislation. Nowhere in the Bill is there to be found any assurance to those who take out ISAs that they will be able to keep them for any period, let alone 10 years. We believe that a period of 10 years is grossly inadequate. People want to be sure that, when they put money in such schemes, they can keep them for the rest of their lives. They are saving, by and large, for retirement. They do not want their tax exemptions to disappear after 10 years.

We have therefore specified in this important amendment that, not just for 10 years but for the rest of their lives, people will be able to keep the ISAs that they have taken out. We should be interested to hear from the Paymaster General any reasons he has for opposing the amendment. We will look closely at his words, as we look suspiciously at his Freudian slip earlier today, to see whether the Government are suggesting that there should be some limit on the duration of the rather minimal tax reliefs available under the legislation that they propose.

Mr. St. Aubyn: I support amendment No. 6. No one who saw the success of PEPs and TESSAs would honestly claim that there was a good case for changing a successful system. I am not a keen supporter of ISAs, because they are second best. We had a thoroughly good scheme before. If we are to have ISAs, however, let the Opposition's success in arguing for the lifting of the cap on ISAs be written into the Bill, as my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) urged.

It is extraordinary how much power the Bill leaves to the discretion of the Treasury. In so many of the areas touched by the Bill, the Government want to keep all their cards up their sleeve. That is characteristic of this Government in so many aspects of their policy. Now we see it in their Treasury policy.

There are only two reasons for rejecting the amendment. The first is that the Government wish to preserve the cap of £50,000 by the back door. The second is that they want to keep to themselves as much discretion and power as possible, and leave as little as they must for debate and scrutiny in the House of Commons.

Amendment No. 6 would encourage people's wider aspirations. We have heard the Government argue that the point of ISAs is to redirect savings incentives to those on lower incomes. We must all encourage those on lower

[Mr. St. Aubyn]

incomes to save, but, if they have very little discretionary money available for saving, the amount that we can encourage them to save through a discretionary scheme will be limited.

If the Government want those on lower incomes to save more—for example, to provide more for their own needs in the future, particularly for their retirement needs—the Government should be honest and set out their proposals for a more rigorous and disciplined system for people to save for the long term. They would thereby make it clear that they want people to save for their future needs, not just for their future aspirations—additional spending opportunities over and above their needs.

That is why most people would put money into ISAs, as they put money into PEPs and TESSAs. They put the money in because they did not need it immediately. In many cases, they did not need to save all the money, but they saw that, by saving it through that mechanism rather than spending it immediately, they might have wider spending opportunities. They might be saving towards a daughter's wedding, a world cruise on their retirement or a second honeymoon. Such were the objectives of many people who put large sums into PEPs and TESSAs.

Now the Government are changing the nature of the scheme and encouraging those on much lower incomes to get involved, but they cavil at the suggestion that people should put in more than £50,000. They do not want to give even that encouragement. They do not want people to venture even that far in their hopes and aspirations. It says a great deal about the Government that they are not prepared to make such a commitment.

Mr. Gardiner: I had no intention of speaking on the amendment, but I feel compelled to do so because of the cavalier way in which the Opposition insist on confusing a guarantee with a manacle. It is clear that the Chancellor has offered a guarantee that the scheme will continue for at least 10 years, because the Government appreciate the need to give long-term security to investors. It is to be welcomed, especially as it far exceeds any guarantee on PEPs made by the Conservatives when in government.

Mr. St. Aubyn: Is not the difference between the present Government and the previous one that the previous Government did not break the promises and undertakings they made before an election, in the context of PEPs and TESSAs? Because the Government sought to break their word, they must now give more cast-iron guarantees.

Mr. Gardiner: I am delighted to respond to that question. It is breathtaking to be lectured by the Opposition on a Government breaking their word. The Conservatives were indicted year on year for breaking their word in government, particularly their tax pledges. The categorical pledges on VAT made before the general election in 1992 were consigned to the waste paper bin within weeks afterwards. We will take no lectures on that.

On clause 75, it is clear that the Chancellor sought to give some long-term security to investors who might be induced to come into ISAs. That was not previously done. No Government would seek to manacle themselves in terms of tax for an indefinite period. That period might be as long as 70 years.

Mr. Gibb: The Government have caused enormous damage to the confidence of savers. The first colossal damage was done in the July Budget, when the Government decided to abolish the repayment of dividend tax credits. That took £5 billion a year out of the nation's pension funds and dented people's confidence in pension funds as a vehicle for savings. It dented the concept of savings.

The Government then decided to announce the abolition of PEPs and TESSAs during the Finance Bill discussions in July and the months that followed. That, too, damaged people's confidence in savings. The nonsense of the initial proposals for the £50,000 limit added to the lack of confidence in the savings tax regime. It is odd that the Chancellor feels the need to guarantee the survival of the ISA scheme for 10 years. When the Conservative Government introduced PEPs and TESSAs, they announced no such guarantee. Nobody believed that it was necessary to specify the length of the reliefs provided, because everyone assumed that they would last indefinitely. The purpose of those schemes was to encourage people to save for the long term, and those schemes were enormously successful.

Mr. Hammond: Does my hon. Friend agree that the difference is that people believed that the last Government were genuinely committed to the principle of encouraging long-term savings, whereas they believe that this Government have merely embarked on a cosmetic exercise?

8.30 pm

Mr. Gibb: My hon. Friend makes a very valid point. I have asked myself why the Government have decided to abolish TESSAs and PEPs and replace them with ISAs, which are a pale facsimile. Why did the Government not simply tinker with TESSAs and PEPs? The only possible reason is that the Government want to be rid of a successful, Conservative-inspired policy for purely vindictive, political reasons.

Mr. Loughton: Does my hon. Friend agree that the Government's proposal is in complete contrast to the message that we usually hear from Ministers? They claim repeatedly that they cannot commit a future Government to current measures. Therefore, there is no guarantee that this proposal will survive. What will happen in five years—

The First Deputy Chairman of Ways and Means (Mr. Michael J. Martin): Order. The hon. Gentleman must be brief.

Mr. Loughton: What will happen in five years if the Government decide that too much tax relief is lost? That is what they did in this case, and they tried to penalise PEP holders retrospectively until we objected.

Mr. Gibb: My hon. Friend makes a valid point. Labour right hon. and hon. Members have given commitments that have subsequently been breached. The Labour party

gave a commitment during the election campaign that there would be no increases in taxation, yet, within two months of coming to power, Labour introduced measures that would raise £5 billion a year from the nation's pension funds. It is clear that the Government have decided to abolish the successful TESSAs and PEPs and replace them with the less successful ISAs for purely dogmatic reasons. That decision will return to haunt them in the future.

The Treasury Select Committee examined the 10-year guarantee, and its conclusions are quite damning. It makes the same point that my right hon. Friend the Member for Hitchen and Harpenden (Mr. Lilley) raises in the amendment. The report states:

"The abolition of the life-time limit was mentioned in the FSBR but not announced by the Chancellor in his speech; he did announce that the ISA system would continue in place for an initial ten years, with a review after seven years. As the annual investment limit is £5,000 (£7,000 in the first year), the effective total investment (apart from TESSA capital) would amount to only £52,000 after ten years."

It is there in black and white in the report of the Treasury Select Committee, which comprises a majority of Government Members. The report states that the total investment would be only £52,000 after 10 years. It sounds as though the members of the Treasury Select Committee agree with my right hon. Friend that this is a lifetime limit by the back door because the amount one can invest is limited to

"only £52,000 after ten years".

Will the Paymaster General confirm that the Government do not intend to end the scheme after 10 years or to review it after seven years with the possibility of not continuing it after 10 years? If he provides that confirmation today, it will begin to redress the damage to savings that the Government have caused, and which they acknowledge in the declining savings ratio that is set out in a table in the Red Book.

The Treasury Select Committee raised another issue regarding the prize draw, to which my hon. Friend the Member for Sevenoaks (Mr. Fallon) referred. Footnote 75 on page xi of the Treasury Select Committee report states:

"Another proposal which was dropped without mention in either the Chancellor's speech or the FSBR was the monthly prize draw".

The Government have made another U-turn, sneaked out via a Budget press release and hidden in footnote 75 of the Treasury Select Committee's report.

Mr. Geoffrey Robinson: I find the Opposition's argument on this amendment bizarre. The Conservatives were in office for 18 years, and PEPs and TESSAs ran for much of that time. Every document relating to those schemes always stated clearly—although not always in bold or in headlines on the front cover—that tax rates and reliefs could change and that the investor should be aware of that fact. That degree of uncertainty existed. Indeed, the view was put around the City towards the fag end of their tired Administration that the Tories were looking seriously at ways of curtailing the cost of tax reliefs.

In this proposal, we are trying—I confirm to the Committee and to the right hon. Gentleman that the regulations will make it absolutely clear—to guarantee a minimum 10-year period in which tax reliefs will remain as they are now and cannot be reduced. That is an unprecedented guarantee for any Government to make. The Tories did not give similar assurances when they were in government. We give that guarantee in order to ensure certainty in the market, long-term stability and a genuine incentive to save. Our proposal has met with an extremely strong response during the consultation period.

Mr. Lilley: The Paymaster General says that the regulations—which are not before the Committee and which are not available to inspect—will guarantee no reduction in tax relief during a 10-year period. Is he then saying that, after five years, the tax relief available to basic rate taxpayers will be extended and will continue for a full 10 years? In that case, the previous announcement that relief would end after five years is no longer valid.

Mr. Robinson: We mean exactly what we have said: tax reliefs will remain at at least their present levels for a 10-year period and we shall review the scheme.

Mr. Lilley *rose—*

Mr. Robinson: I shall give way in a moment: I know the point that the right hon. Gentleman wants to make. What we have said is quite clear, and that is all we are saying: reliefs will last for 10 years and they will be reviewed after seven. The Government's commitment carries considerable weight because everyone knows that this Government will review the scheme in seven years. It is totally irrelevant whether the Opposition decide to join us in that commitment or threaten to change or withdraw the scheme and reduce the tax relief, because everyone knows that the Tories will not be in office to do that. Our position is quite clear. There is sourness on the part of the Opposition that the measure has been so well received by the financial savings institutions in the City of London.

Mr. Lilley: I am sorry that I did not make myself clear to the Paymaster General, but this is an important point. The Chancellor of the Exchequer said that the 10 per cent. tax credit for basic rate taxpayers taking out ISAs and investing in equities would disappear after five years; the Paymaster General has said that tax reliefs would remain unchanged for 10 years—which statement is true?

Mr. Robinson: We have made it clear that tax reliefs will be phased out after five years, and that remains the case.

I turn to some points raised by the hon. Member for Guildford (Mr. St. Aubyn), who was trying to be his usual helpful self but got into a terrible muddle. The proposals have been received extremely well. We are working for long-term stability. The clear commitment by existing institutions and by the new ones that want to join the scheme, such as Safeway and the other supermarkets, will ensure that we shall get new net savings.

There will not be the simple displacement factor to which the noble Lord Lawson referred when he introduced the scheme. He said, "This is not really about net increases in savings—we do not believe that—but it will increase the habit of investing in equities." That was the policy of the previous Government. Our policy is different: we want to generate genuine new savings. That is why we have no lock-in period and why we have guaranteed tax reliefs for 10 years, with a review after seven.

[Mr. Robinson]

It is unnecessary to go further than that at this stage. No Government have gone as far as that: the previous Government never gave a similar undertaking. All the documents relating to PEPs made it absolutely clear that tax reliefs could change and that people would have to guard against that. If the Opposition are minded to push their ridiculous proposition to a vote in this amendment, we shall have to resist it. In dividing the Committee, the Opposition would be going clearly against the wide acceptance of the stability of the long-term commitment that the Government's proposal represents, which has been so well received by the industry.

Mr. Hammond: How would the Minister square the projected decline in the savings ratio with the net increase in savings that he is talking about?

Mr. Robinson: We do not need any lectures from the Opposition about savings ratios or the mis-selling of pensions or savings products. The past masters in both were the Opposition. That is the point they must take on board. For four years in the 1980s, they managed to achieve a negative savings ratio. Billions of pounds—

Mr. Hammond: Check the figures.

Mr. Robinson: Absolutely. Check the figures. The hon. Gentleman will find that he is wrong. Indeed, he has been wrong already on one point, but he has not had the grace to admit it. The Opposition managed to achieve a negative savings ratio in the 1980s, and I shall send him the figures to prove it. We need no lectures on any of that from Opposition Members.

Everything that we have been doing—the Government have been committed to this approach and all our economic policies have been about this since we formed our Administration, including the operational independence of the Bank, the code of fiscal stability and the evening of the playing field on forms of investment—is designed to achieve long-term stability and long-term growth. That is best for savings, best for incomes and best for the country.

Amendment negatived.

Clause 75 ordered to stand part of the Bill.

Clause 147

STAMP DUTY ON CONVEYANCE OR TRANSFER ON SALE

Mr. David Heathcoat-Amory (Wells): I beg to move amendment No. 10, in page 136, line 32, at end insert—

'(4A) This section shall not apply to properties which are subject to uniform business rate.'.

I shall give my reasons for moving the amendment in the context of a wider comment about the Bill, which is that it is a tax-raising measure. That is the general nature of the Bill, and the clause is very much part of that strategy.

We had a good deal of waffle in the Budget statement about the Budget being for investment and enterprise. However, wherever we look in the Bill we find an increased tax burden, often on the precise sectors of the economy that are asked to produce additional jobs and more investment.

The Chancellor of the Exchequer said in his statement that stamp duty would rise from 1.5 to 2 per cent.—a 25 per cent. increase for the transfer of properties above £250,000 in value. For properties valued at more than £500,000, there would be a 50 per cent. increase in stamp duty from 2 to 3 per cent.

I have a commercial interest to declare as I am a director of a property company that is duly registered in the Register of Members' Interests. Perhaps right hon. and hon. Members may be affected in their private lives by having to pay increased stamp duty on house transactions. I do not think that many Members will be affected in that way, however, because the burden of the tax does not fall primarily on the house owner, contrary to what the Chancellor tried to put over in his Budget speech.

The right hon. Gentleman, having described the tax increase, said that it was

"a change which leaves 98 per cent. of house transactions unaffected."—[*Official Report*, 17 March 1998; Vol. 308, c. 1110.]

He was therefore suggesting that the tax would be felt only by richer householders. The truth is that the burden falls on the commercial sector, not on the private householder. The Chancellor adopted a disingenuous way of describing the increase because three quarters of the tax is paid by commerce.

The burdens are considerable. In the current year, the extra burden of the tax will be £390 million, rising in the next financial year to £470 million. In the year 2000-01, the yield will be £520 million, so the yield from this tax will be more than half a billion pounds a year. The burden will fall on the sector of the economy that is asked in the welfare-to-work project to produce extra jobs.

In the Budget statement, we had an appeal for more investment. In the Red Book, which was subsequently published, we find that, although business investment has been rising strongly in recent years—it is recorded as rising at 7.75 per cent. last year—there is a projected stabilisation and then a small decline.

8.45 pm

The reason lies in the clauses that are before the Committee this evening. Quite simply—it is not a startling observation—if we tax business and reduce profits, the result is fewer jobs and less investment. More than that, such an approach inhibits mobility, flexibility and inward investment—those are all the things which the Government say that they are seeking to encourage. It is not surprising that the Association of British Insurers said that the measure was

"a disincentive to productive business investment and efficiency."

The increased tax will be paid primarily perhaps by those selling commercial property. However, indirectly it will be paid by a much wider spectrum of businesses. Commercial tenants will pay because their landlords will seek to recover the additional cost of stamp duty through increased rents. The increased tax will provide a perverse incentive for those who are investing in property. For example, there will be an advantage in investing in property overseas in those countries that have lower property transfer taxes, especially those outside the European Union.

In the time available, I have undertaken a little research in the context of the European Union. There is a confused position because there is not even attempted harmonisation or standardisation in the description of taxes, let alone the rates and incidence of the taxes. Sometimes, they are described as property transfer taxes and at others as conveyancing taxes. Sometimes, the taxes are described, like our own, as stamp duty. Some taxes are collected at municipal level, some at regional level and others at national level.

Generally, most member states have higher equivalent taxes than we do. It seems that the French conveyancing tax is levied at an ordinary rate between 13.4 and 15.4 per cent. In Belgium, the standard rate for a similar tax is 12.5 per cent. The rate in the Netherlands is lower. It seems that 6 per cent. is normal for property transactions there. Ireland has a conveyancing duty on a sliding scale between 1 and 6 per cent. In Portugal, the tax is collected by the municipalities. The Library produced a figure of 10 per cent., that being normal on transfers of urban buildings or building land. There is a sliding scale for domestic properties. Germany seems to have a lower rate of 2 per cent. which is collected by the Länder government, so the picture on the continent is very mixed.

I mention that because one of our advantages up to now was that our stamp duty was comparatively low, and that at least contributed to our being an attractive haven for inward business investment, but the Government appear set on eroding that. Indeed, if we go on increasing stamp duty as we are going, we shall lose a very valuable competitive advantage. This could be connected with the fact that, a few months ago, the Government signed up to a code of conduct on business taxes to counter what the European Union is pleased to call harmful tax competition. One of my questions for the Paymaster General is whether the code of conduct on business taxation has implications for stamp duty and whether the Government are seeking to increase stamp duty under the guise of harmonisation, as there is undoubtedly pressure from that part of the European Commission that sees low taxes as unfair.

Another point worth dwelling on for a moment is which companies will primarily pay the increased stamp duty. It is well known in accountancy circles—I have to confess to being a chartered accountant, so I used to earn a living by doing such things—that large companies can on occasion avoid stamp duty by using various avoidance devices. The simplest concept is that a property to be transferred is owned by a subsidiary company, and it is the company rather than the property that is sold. If that is done offshore, in another tax jurisdiction, stamp duty can sometimes be avoided completely.

Of course, there are various anti-avoidance devices; nevertheless, it remains true that the sophisticated company which is well advised can often find ways around stamp duty. In a free trading world and a global environment in which many multinational companies have their headquarters in Britain, it is increasingly the case that, where avoidance can be secured, great time and effort go into securing it. It tends to be the smaller or medium-sized company, which is less sophisticated and less well advised, that pays the increased taxes upfront.

If the Paymaster General is intent on increasing stamp duty, is this not an opportunity to move to a slice rather than a slab system? Putting it as simply as I can, under the slab system if the value of a property moves even £1 above the threshold of, say, £250,000, the higher rate of stamp duty is applied to the entire value rather than just to the extra slice. That can lead to a mysterious grouping of valuations just below the threshold, for obvious reasons, and people can attempt to divide up properties or sell the furniture and fittings separately in order to keep under the relevant value. However, it is inequitable that the extra charge should apply to the entire value of the property. Was this not an opportunity to move to a slice system, whereby the higher rate applied only to the top slice? I put that forward not as an amendment but as a genuine question to the Paymaster General. The higher the rates become, the more inequitable the system of assessment.

Our best solution is to remove clause 147 altogether and put things back to the way they were before Budget day. If that is not possible, our second-best option is to confine the proposal entirely to householders. If the Government really are anxious to tax people with large and expensive houses, amendment No. 10 does exactly that by exempting properties that are subject to the uniform business rate, so stamp duty would not be a tax on the commercial sector.

I commend the amendment to the Committee.

Mr. Hammond: I welcome the opportunity to speak in support of the amendment. I shall declare an interest over and above the interest that all hon. Members have as owners or aspiring owners of houses, in that I have an interest in a small house building company, and the house building sector is certainly more interested than most in the proposals.

As my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) said, we are opposed to the measure in its totality, and would prefer it to have been excluded from the Bill. Since coming to office less than a year ago, the Government have now had two bites at the cherry of stamp duty. As my right hon. Friend suggested, one must have serious concerns about where this will lead us. I shall say a little more about that in a moment.

The spin put on the stamp duty announcement during the Chancellor's Budget speech and in most of the press reporting immediately after the Budget was to relate it entirely to houses. Indeed, as my right hon. Friend pointed out, the Chancellor said that the change would leave

"98 per cent. of house transactions unaffected".—[*Official Report*, 17 March 1998; Vol. 308, c. 1110.]

That takes us back to the politics of envy of some 20 years ago—"It's all right, because it will affect only those who have houses worth more than £250,000," the implication being that we should not be too concerned about such people. I draw the Committee's attention to the fact that any arbitrary cut-off level of that nature in relation to house prices already discriminates severely against certain parts of the country.

In my constituency, for example, someone owning a house worth £250,000 is likely to be the kind of industrious manager in a small business whom the Paymaster General is anxious to encourage in his endeavours. I accept that in other parts of the country, someone owning a £250,000 house might genuinely be considered to be a rich and unusual member of the community, but that is not so in the more affluent parts of the south-east.

[Mr. Hammond]

Since 1 May 1997, the Government have effectively tripled the stamp duty payable on the transmission of properties worth more than £500,000 and doubled it on properties valued at more than £250,000. If we look further down the house price scale, it is not true to say that the measure will not affect 98 per cent. of houses, because houses have to be built on land. When builders and developers buy land to build even the most modestly priced houses, they will typically buy it in parcels worth more than £500,000. In those circumstances, the Government's action will contribute to house price inflation at the bottom as well as the top end of the scale. Typically, land accounts for a third of the value of a new house, and very much more than that in the south-east. The amendment would specifically exclude business premises from the scope of the stamp duty increase. It is a second-best option if the increase cannot be rescinded altogether. My right hon. Friend the Member for Wells made a persuasive case for, as he put it, the slice system as opposed to the slab system.

Until last year's Budget, most of us regarded stamp duty at 1 per cent. as more of an irritant than a meaningful consideration in a transaction. Now that it is becoming a meaningful consideration, one of our concerns must be the extraordinarily high marginal rates at the change points of £250,000 and £500,000.

The Chancellor recognised quite rightly in his Budget speech, when addressing matters of welfare reform, that high marginal rates have a disastrously distorting effect in the marketplace, sending people all the wrong signals and inspiring inappropriate behaviour. He was referring to marginal rates of withdrawal of 80 or 100 per cent. In respect of a property priced at £499,999, we are discussing a marginal rate of tax of 500,000 per cent. if the sale price increased by £1. The Paymaster General will recognise that, in general terms, that would lead inevitably to distortions in the market, discrete steps and a discontinuity in the curve of the marketplace. My right hon. Friend the Member for Wells has made a sensible and valuable proposal which I hope the Government will consider.

9 pm

The measure will have two effects specifically in respect of business property. The first relates to property as a tool or as a piece of working capital in the operation of a business. The Bill will place an additional tax burden on all businesses using property, including factories, shops, offices and warehouses. Estimates show that 75 per cent. of the yield of the increase in stamp duty will come from business—raising £350 million in 1999-2000. That represents a significant additional burden on business. In cash flow terms, the burden will fall on a business purchasing a new property, expanding or building a new factory—just when its cash flow is strained most, as it seeks to expand and to answer the Government's exhortation to invest and create jobs.

The second effect of the measure will be on property as an investment. Property is already by far the most illiquid of the assets held by investment funds, and the Bill will dramatically decrease the liquidity of property. If a fund owns a building that would be expected to sell for £100 million, it must consider that any buyer will have to pay 3 per cent. tax on that transaction—a not insignificant sum. The measure, if passed, must have an effect on the value of existing property assets held in funds, including pension funds that have already been hit by the Government's change in the treatment of ACT credits last year.

As my right hon. Friend the Member for Wells suggested, there are a number of ways in which more sophisticated operators can seek to avoid the impact of the increase in stamp duty. They include the use of the single-asset property company as a vehicle for the transmission of a property—or perhaps multiple transmissions—avoiding the payment of significant stamp duty on each occasion. The Paymaster General would probably agree that, in general terms, it is undesirable for the tax tail to wag the investment or business decision dog. We are in danger of a multiplicity of methods being employed to avoid the full impact of the measure on business properties, including an increase in the use of single-asset companies and the development of different funding methods for property development to avoid the transmission of ownership and, therefore, a charge to stamp duty.

Any measure that fragments the market into different qualities of assets because of different tax status attaching to them must be negative, as it will damage liquidity in the market and create distortions, adding to the distortions that will already be created by the arbitrary cut-off points at £250,000 and £500,000. The cut-off points are particularly important. They are far too low to affect the behaviour of large property investors and sophisticated developers building in the City of London, but they will affect and determine the behaviour of smaller companies building investment properties, and public authorities building starter industrial units up and down the country.

The Government should not object to the Opposition amendment if their real purpose is to introduce a new regulator into the housing market, as the Chancellor suggested. However, I have my own concerns about the possibility that stamp duty is being ratcheted up from a nominal 1 per cent. to become a significant tax. My concerns lie not so much with the issue of harmonisation of business taxes in Europe, but with the Government's projected preparations for our possible entry into the single currency.

The United Kingdom has a distinctive housing market which is different from that of many of our European Union partner countries. When my right hon. Friend read out a list of countries in the European Union with high rates of property transfer tax, although he was dealing specifically with business property, it occurred to me that there may be a correlation between the high rates of property transfer tax and the relatively low percentage of home ownership in many countries. We would not wish to discourage home ownership in the United Kingdom.

As the Government look towards preparing the United Kingdom for possible entry into a single European currency, the Treasury must be concerned about the peculiar nature of our housing market and the absence in a single currency union of any distinctively British regulator of housing market activity. The Government would not control interest rates. They could find themselves facing a housing market boom in the United Kingdom while overall economic conditions in the European Union indicated relatively lax monetary conditions. In those circumstances, the British Government would find it extremely difficult to control

the housing market in the United Kingdom and certainly would not be able to use the conventional means that have been employed in the past.

I wonder whether the Government are looking at stamp duty as the future method to regulate house price inflation. If so, the British people should be told. We should understand now that the Government propose to increase stamp duty, perhaps to 6 or 7 per cent. as applies in other European Union countries, as their preferred method of regulating the housing market as the United Kingdom prepares for entry into the single currency. If that is the case, the British people should be told.

Mr. St. Aubyn: I share the concern of my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) that there is a hidden agenda in the rise in stamp duty imposed by the Government. It is absolutely right that, in considering the amendment, we ask ourselves whether it goes far enough. Should it not also include an exemption for the housing sector?

At this point, I declare an interest as someone who is affected by both clause 147 and the amendment.

The problem with stamp duty is that, as a regulator of economic activity, it is for any Government what one might term counter-intuitive. Often when a recession looms, the Government's borrowing requirement goes up and it is intuitive and in their interest to cut interest rates. That is easy. But if in such a situation they consider a cut in stamp duty as part of regulating the economy, there will be howls of anguish from some members of any Cabinet. They will ask, "Why are we giving money back to this relatively affluent sector?" and to be told that it is part of the Government's long-term plan to regulate the housing market will not wash with them.

Stamp duty is a one-way street for this Government. They will happily raise it in the good times that they inherited from the previous Conservative Government. However, it will go against all their instincts to contemplate reducing it again if and when—I fear that under this Government, it will be when—a recession hits not only manufacturing, as is happening now, but the property and housing sectors.

The trouble with a tax that is aimed at what we are told is 2 per cent. of residential housing purchases is that it sounds as if it hits only the rich. But in the London economy and, indeed, in the wider economy, there are many businesses and craftsmen who work for those rich clients. A business in which I am much involved often works for clients who own substantial properties. If those properties are hit by a higher rate of stamp duty, not only will their rich owners have less money to spend, but they will be less inclined to move. If they do move, they will probably decide to economise on some of the costs of moving, which would include the more craft-based, refined products that they would otherwise purchase. The Government's policy—their stated policy and their hidden agenda—will hit a specific sector of craftsmen.

We are considering an amendment which would change only the rate on commercial property. As my hon. Friend the Member for Runnymede and Weybridge said, the liquidity of the property market is almost certainly at risk as a result of the proposal. Over the years, there have been attempts to develop a derivative market in commercial property. The threat of the higher rate of stamp duty may act as a spur to such a market. I hope that the Paymaster General will at least assure us tonight that if such a derivative market in commercial property were to develop, he would regard it not as a tax avoidance device, but rather as a healthy development for efficient investment in this country. If we have taxes that distort investment, we shall have a less efficient economy.

I know that the Paymaster General's own investments relate more to intellectual than to commercial property. Nevertheless, he should recognise that old-fashioned bricks and mortar have their role to play in the running of businesses.

Another aspect of the issue is brown-field sites. We have heard much back-treading by the Government on brown-field sites. Initially, they set modest, unsatisfactory targets for the number of brown-field sites to be developed for residential use. They now want to achieve a target of 60 per cent. That is not enough for an area in Surrey such as I represent, but it is a welcome improvement on their earlier target. Have the Government considered how the rise in stamp duty will affect the attractiveness of brown-field site development? Following the logic of the argument of my hon. Friend the Member for Runnymede and Weybridge, for some businesses, it will be a marginal decision whether they give up their inner-city brown-field site for a residential housing proposal and then have to buy a new commercial site in another part of the town. They may be discouraged by higher stamp duty.

That brings me to the crux of the matter: 3 per cent. stamp duty—an increase of 1 per cent.—may change the positive environment for property investment, although it may be just about bearable. In agreeing the full price, buyers and sellers may agree to suffer the rise between them. If, however, the Government intend to raise stamp duty to continental levels, as my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) mentioned, the quantity of land available for brown-field site development to meet the country's housing needs will certainly be adversely affected.

Sources suggest that the rate of stamp duty in other countries is much higher. I have heard that in Italy it is 8 per cent., and that in Ireland it reaches up to 9 per cent. Stamp duty at 9 per cent. on brown-field sites in this country would almost certainly be enough to kill any prospect of change in use. That has long-term consequences. It is a good example of how stamp duty can distort the economy.

9.15 pm

Part of the hidden agenda is the fact that the Government took one swipe at pension funds and enjoyed it so much that they want to take another. They took that swipe through changes to corporation tax. By not allowing a tax credit, they in effect introduced a pensions tax. It must alarm some in the Treasury that pension funds can redirect investment into commercial property and thereby increase income and get round part of the problem. The Government told us that they did away with the investment tax credit to encourage companies to keep money in the company rather than give it out in dividends. The hidden agenda behind the increase in stamp duty suggests far more. It is just old-fashioned Labour, seeing a pot of gold and trying to find as many different angles as possible from which it can get its greedy mitts on it.

[Mr. St. Aubyn]

Even if there is not a derivative market in commercial property, fees for lawyers' advice and accountancy schemes will be paid. That will result in long-term major pension fund investors avoiding the consequences of stamp duty. If the increase is part of a progressive increase in stamp duty, it is fair to say that the Government will find that the amount of revenue attracted will steadily diminish. A law of diminishing returns will apply rapidly to stamp duty. If there are to be high levels of stamp duty, a pension fund will have to think hard before it can justify switching from one commercial property to another in the course of balancing its portfolio.

As my hon. Friend the Member for Runnymede and Weybridge mentioned, the final part of the Government's hidden agenda is convergence in Europe—not just in tax rates and regulation of the economy, but in the very nature of the economy. We have a property-owning democracy, not just for the very rich, but for all levels of society. Many people who have started their own businesses have as their pension fund their company's commercial premises. In order to sell their business, they may intend to retain control of the company's main asset in some form or other and to rent it out. That is a classic way in which businesses change hands. Businesses changing hands is all part of the way in which the economy develops, grows and thrives.

The increase in stamp duty is yet another Labour spanner in the works. It is another way in which attempts to ease the flow of business will be upset by the scale of duty that the Government are imposing—in many ways quite arbitrarily—on those who own commercial property with a value of more than £250,000. It is arbitrary because, in other parts of the Finance Bill, we see a general claim—which we shall examine in more detail later in Committee—that there is an attempt to mitigate the capital taxation of long-term investments. Yet here we have a clear case of the Government imposing a swingeing tax on a long-term capital investment. It shows how far new Labour's actions are divorced from its warm words.

Mr. Gibb: I support the amendment, which seeks to remove from these draconian provisions properties that are subject to the uniform business rate—commercial properties. One of the points that the Chancellor of the Exchequer skated over when announcing the swingeing increase in the rate of stamp duty on high-value properties was that stamp duty also applies to the transfer of commercial property; not just real property, but all assets in a business that are transferred by document. That greatly affects businesses. The notes on clauses make clear that 75 per cent. of the revenue raised will be from sales of businesses and commercial property.

Mr. Hammond: Would I be right in thinking that the measure applies also to transfers of intellectual property, which might be of direct interest to the Paymaster General?

Mr. Gibb: My hon. Friend is right. It applies to all assets of a business, including intellectual property. It can also apply to one's debtors. If a company has any assets transferred by document—cash, even—the stamp duty is applied to the value of those assets.

As my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) said, a large company that takes legal advice from leading solicitors and accountants can avoid paying duty. If it is made clear in the agreement to sell or buy a business that certain assets—for example, plant and machinery and tools—will be transferred not by document but by delivery, the stamp duty is avoided. That requires a company to take legal advice on the sale of a business, but most small and medium businesses will not have the resources to take advice on stamp duty; they will probably be caught more than large companies. A measure designed to raise revenue for the Government will hit the very businesses they purport to want to encourage.

The Institute of Directors has made clear that it opposes this draconian measure, saying:

"We deplore the increases in stamp duty on high-value properties. While very few house purchases will be affected, a higher proportion of purchases of business premises (and of goodwill and patents) will be affected."

The Institute of Chartered Accountants deplores the measures; the tax faculty has said that the

"further increases in stamp duty for asset transfers as against share transfers may distort business decisions and inhibit sales of assets as against companies."

Here, again, we have a measure designed to hurt medium and small businesses, as against large ones. It will not affect businesses that simply sell shares from one owner to another; they will be subject to a different rate of stamp duty—the rate applying to the transfer of shares—but someone trying to sell a small business because of retirement, for example, will have to pay the very high rates of stamp duty on all the assets transferred.

The IOD makes the valid point that insurance companies, pension funds and property unit trusts will bear the brunt of the direct impact of the increases in stamp duty because most commercial properties are owned by such investors and then leased. Millions of people who invest in insurance, pension funds or unit trusts will suffer.

Mr. Hammond: Will not the measure cause a further distortion—a bias in favour of renting or leasing smaller business premises rather than purchasing them outright and paying the attendant stamp duty?

Mr. Gibb: My hon. Friend is absolutely right. It is wrong that Government measures should have such distortionary effects—the Government should carefully consider the effects of taxes on the market. The distortion of usual commercial transactions is distressing, but it will happen in a variety of areas as a result of the Bill.

The Institute of Directors is concerned that the measure will reduce the value of the investments of millions of innocent investors. That demonstrates a wider point—taxes levied on big business or business generally are always eventually borne by individuals. That has been widely acknowledged, as the Treasury Committee noted. Gavyn Davies said that the brunt of the advance corporation tax credit would be borne by the household sector. Similarly, the brunt of the effects of clause 147 will be borne ultimately by individuals, either as tenants or as purchasers of houses on small estates where the land was bought as a parcel—as my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) rightly pointed out, the 3 per cent. stamp duty would be passed on to the purchaser of the newly built house.

Like my hon. Friends, the Institute of Directors is concerned that nothing has been done to remove the distortions caused by the slab scale. The matter was the subject of an amendment to the Finance Bill in the summer; the Government opposed that amendment, too. As they are doing everything possible to remove distortions in areas such as national insurance, it is odd that they are exacerbating distortions in stamp duty by increasing the rates.

I urge the Government to accept the amendment, which would prevent business from having to face these draconian measures. In his Budget statement, the Chancellor implied that the provisions would apply only to residential property; he made no reference to their effects on commerce and business transactions. For once, let us see legislation living up to the spin and presentation.

Mr. Geoffrey Robinson: Opposition Members have advanced reasoned arguments on the amendment, but I think that they are really saying that they do not like the clause. It would have been much more simple if we had debated the clause as a whole.

The hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) mentioned draft regulations. We have checked what happened—they were placed in Derby Gate, in the House of Commons Library and in the House of Lords Library. We are not sure why they were not there when he looked for them—

Mr. Gibb *rose—*

Mr. Robinson: I do not doubt that they were not available to him, but I reassure him that we have arranged for additional copies to be deposited—no doubt he will be able to collect them after the Division.

Mr. Gibb: I am grateful for that reassurance, but why were the draft regulations not referred to in the regulations list, in the book that lists all the documents that the Government have presented to the Library, or in today's Order Paper under the list of documents that were placed in the Library on Friday?

Mr. Robinson: I have explained to the hon. Gentleman that the draft regulations were deposited in the Library, although we do not know why they were not available to him. I have assured him that we have made additional copies available. I cannot do more, and I ask him to accept what I have said.

The increased levels of stamp duty will apply to intellectual property, but the amounts will be very small—some tens of millions in the total. I do not think that the matter is significant to our consideration of the amendment—in fact, the amendment would not affect it.

I am sure that the whole House has considerable respect for the professionalism of the hon. Member for Bognor Regis and Littlehampton, but he must find other reference points than the Institute of Directors and Gavyn Davies, much as we respect the latter and much as our relations with the former are improving. I am sure that he can do better than that, even if he has to make frequent reference to his former boss.

We heard about the slice system as against the slab system and the cliff edge. My right hon. Friend the Chief Secretary conceded in the debate on 28 July last year, when we divided on an amendment, that there were certain deficiencies in the present system, but it is funny that the Conservatives did nothing about it when they were in government.

I hasten to add that rates were lower then, so the problem was slighter, but Conservative Members have made the point today that there was already a bunching. We are prepared to consider the issue, but only in the context of there being no reduction in revenue, so presumably the rates would be spread over a banded system and the results might not be to everyone's liking.

9.30 pm

The Opposition's talk of a hidden agenda is a lot of nonsense. I suppose that they have nothing better to say, but we could have predicted that the right hon. Member for Wells (Mr. Heathcoat-Amory), along with the hon. Members for Guildford (Mr. St. Aubyn) and for Runnymede and Weybridge (Mr. Hammond) and others, would mention the European situation.

In anticipation, I took the trouble of getting some figures on Europe, which I am sure will interest or even intrigue the right hon. Member for Wells. He was pretty right on Belgium; wrong on France and on Germany; and right on the Netherlands. I have the figures here, and I will make them available to him afterwards. Overall, stamp duty and its equivalents in the Community stand at between 6 and 10 per cent. on average, which still puts us at a considerable advantage.

I believe that I am correct in saying that there is no intention that the business properties taxation should bring us in line with the code of conduct of business taxation. We have looked at the market—

Mr. St. Aubyn *rose—*

Mr. Robinson: If the hon. Gentleman can contain himself for a moment, I am dealing with a coherent point raised by other Conservative Members in the debate. I agree with the Budget judgment that we have a level of taxation that even he would accept is assimilable in the present market and does not pose a problem.

Mr. St. Aubyn: In the light of the Paymaster General's assertion that to refer to a hidden agenda is nonsense, and of the comments that he has just made, can he confirm that the Government have no intention of raising stamp duty yet further?

Mr. Robinson: The question of a hidden agenda was raised in relation to Europe and to some harmonisation proposals concerning a code of conduct for business taxation. I repeat that that is nonsense. There is no hidden agenda in that respect.

Mr. Hammond: The point was also raised in respect of how the housing market would be regulated under a single currency and of comments made by the Chancellor himself suggesting that a prime motive for the move was a further damping of the housing market.

Mr. Robinson: The hon. Gentleman says that the Chancellor made that remark, and I look forward to receiving a copy of it, if he can produce it.

[Mr. Robinson]

The issue is not whether the United Kingdom's housing market is out of phase with the European Union's, although that could well happen; the issue is whether there is genuine convergence between our economy and the European economies. That is why the policy that we cannot contemplate entry to the single currency until there is established convergence is so right. Convergence means a general harmonisation of the economies in terms of inflation, growth and other factors, one of which, but only one, is the housing market. We cannot pick out housing and try to deal with it as a separate issue; nor would we attempt to do so.

All the amendments have been odd, as if the Opposition had trouble getting them down or making up their minds what they wanted to do. The odd thing about this amendment is that it would give relief for businesses of over £250,000, but nothing for those under that figure. I do not resent Opposition Members speaking to the amendment. For the most part, their concern seems to have been the effect on the housing market, but the amendment would do nothing about the problems that they consider the increase in stamp duty might pose for that market and we do not accept that it will pose a problem.

The hon. Members for Runnymede and Weybridge and for Guildford are concerned about the housing market and the possible effects of the tax on house building, house prices and land prices, but surely they must have learnt from the 1980s, the Lawson boom and the mishandling of the economy by the Conservative Government that the one thing the property market does not want is the politics of boom and bust. The politics of envy has nothing to do with it—it is the politics of boom and bust. That is what brought the housing market to its knees and what plunged millions into negative equity from which, as I heard today from someone who works in the Treasury, people are still not escaping, in spite of the improvement in the economy.

The whole point about everything that the Government are doing, as I explained during the debate on clause 75, is that stability and long-termism have to be the name of the game. There is no point in going back to boom and bust or trying to regulate one aspect to distort another. We have to have a coherent set of policies that keep the economy on a steady course. That is what the Budget is about and the increase in stamp duty is one part of it.

Mr. St. Aubyn: I am afraid that the hon. Gentleman condemns himself with his own words. On the one hand, he tells us that there is no hidden agenda and that raising stamp duty is not part of regulating the economy, but, on the other, he talks about preventing boom and bust. In the context of house building, surely he realises that it is the transaction costs that are the concern. Increasing transaction costs will deter the development and provision of brown-field sites for residential development.

Mr. Robinson: The hon. Gentleman may continue to make that point, but we believe that we have taken a balanced view. Indeed, a Conservative Member agreed—I cannot remember whether it was the hon. Member for Bognor Regis and Littlehampton or the hon. Member for Runnymede and Weybridge—that, at the present level, the increase will not markedly affect the market. We agree with that judgment and it is the one which we have taken.

The point that I was trying to make about stability, which the hon. Member for Guildford seems to be too dense to understand, is that we are trying to achieve it not through one measure alone, but through a set of measures. The one thing that will kill the housing market again is to get away from stability and go for boom and bust. We must not do that. That is why the whole of the Budget fits together as a coherent set of measures to keep the economy on a steady course, with steady growth, to the benefit of all sectors.

I hope that the right hon. Member for Wells is reassured about the European fund. He also mentioned welfare to work and its having some effect on those companies that we will be looking to to provide considerable effort in that respect. I am pleased to be able to tell him that my right hon. Friend the Chancellor and I met representatives of some big companies in the hotel industry—this is not unrelated to commercial property values—and, while they could give us a tremendous commitment to welfare to work and the developments that they have in hand are extremely encouraging, none of them raised the increases in stamp duty with us. They were committed to welfare to work and very committed to the Government's policy of stability and long-termism.

We are in the right ball park as far as the increase is concerned. Indeed, that is confirmed in the monthly index of Richard Ellis, which shows that the impact is pretty marginal, if there is any at all, and that we are not greatly affecting the market. It also seems that Richard Ellis reviews its Budget judgment as well.

Mr. Hammond: I listened carefully to what the Paymaster General said about long-term stability. Can he explain how two separate stamp duty increases in less than 12 months convey an impression of stability? Either we have to assume that there will be a steady progress and further increases, or those are discrete and disruptive movements.

Mr. Robinson: There has been nothing of significance in the market and no boom such as that which the Conservative party managed to contrive. There is every indication that the economy is on a steady course. We believe that our Budget judgment was right and everything we have done was committed to stability. We shall stick with our policies.

There is no merit in the amendment, which would do nothing to improve the housing market in a way that would have any effect on commercial property. We believe that our judgment is correct and we will make decisions as and when it is proper to do so in the context of the Budget.

If a fit of misguided "Oppositionism" leads the Conservatives to force the amendment to a vote, we shall resist it.

Mr. Heathcoat-Amory: I do not think that the Paymaster General has done justice to the many excellent points raised by my hon. Friends the Members for Bognor Regis and Littlehampton (Mr. Gibb), for Runnymede and Weybridge (Mr. Hammond) and for Guildford (Mr. St. Aubyn), all of whom spoke with considerable theoretical or practical knowledge. The Minister has once or twice completely overlooked their questions.

The Paymaster General did pass the comment that our amendments were confused and asserted that we had had trouble in getting them down. I do not know what he means by that, or how on earth he can know the circumstances in which our amendments were tabled. In fact, we had no difficulty. Our only problem was to try to restrain ourselves from flooding the amendment paper with necessary amendments and to try to concentrate on those that would be constructive and would improve the Bill.

The amendment is crystal clear. We tabled it to try to take out commercial property because we thought that the Government intended that.

Mr. John Swinney (North Tayside): I take it from what the right hon. Gentleman has said that the Opposition amendments will be the pinnacle of their contribution to the debate and that we can expect no better from the other amendments that we will debate over the next two days.

Mr. Heathcoat-Amory: I do not know whether the hon. Gentleman is trying to be witty or to ask a genuine question. If he sticks around for the next two days, he will hear more of our amendments, which I hope he will support because we have in mind not only the United Kingdom, but improvements to the economy of Scotland, which is dear to the hon. Gentleman's heart.

The amendment was tabled, at least partly, because we judged, following the Chancellor's Budget statement, that it could well meet his intention. The Chancellor referred only to increasing stamp duty on householders and we know from last year's Finance Bill that the Government—or, at least, those on the Treasury Bench—did not always understand their legislation. The fiasco of the withdrawal of dividend tax credits made it clear that they certainly did not understand their own Bill. Those of my hon. Friends who served on the Standing Committee will remember that Ministers simply did not understand foreign income dividends. Eventually, rather than withdrawing the relevant clause, they said that it was inoperative and that they would return to it later.

It is possible that, in the rush of preparing a Budget, the Chancellor genuinely thought that stamp duty did not apply to commercial properties. No one had gone into the point in great detail and the Chancellor himself has no commercial background. Perhaps that was a mistake, and we have sought to help him by giving effect to what may have been his intention; otherwise, the Bill will have a very damaging effect on commercial properties. We hope that there will be time for a short debate on clause stand part so that we can make a few more general points about the clause's wider effect on the economy.

I must complain that the Paymaster General was dismissive of my innocent inquiry about whether this might not be the opportunity to move from what I called a slab system to a slice system. I think it was my hon. Friend the Member for Runnymede and Weybridge who picked that up as an important potential reform. All the Paymaster General said was that we should have done it. My point was that it is not so important to have such reforms when the rates are low, but, when the upper rate of stamp duty is increased by 50 per cent., as is proposed, it becomes important to try to avoid such gross distortions.

9.45 pm

There is also the code of conduct for business taxation. Again, the Paymaster General was dismissive and said that, as far as he knew, there was no connection; that is his opinion, but the Government appear to have an agenda to harmonise—upwards, of course—business taxation to fit a European pattern. He challenged my figures on the effective rates of stamp duty in other member states. I defer to his greater knowledge, or at least to his easier access to specialist advice. I had to refer to the Library at short notice and it did a very good job for me, but I may not have got its figures right. However, it is clear, and he confirmed this, that the average rate of property transaction taxes is between 6 and 10 per cent. He confirms my point that we have a comparative advantage. That is one of the reasons why firms transfer to Britain and why we act as a magnet for overseas investment. That is much criticised by members of the European Commission, who regard that as terribly unfair. They are itching to harmonise it all upwards to the higher continental rates. It was not right for the Paymaster General to be so dismissive of my point.

The Paymaster General ignored my question about which sorts of businesses would be hit by the increased stamp duty. I noted—again, this was echoed by several of my hon. Friends—that large, well-advised companies can and do avoid stamp duty by various means. The Paymaster General did not mention that. He knows a great deal about tax avoidance and how to counter it. The Committee would have expected some reference to how he will ensure that the burden of the higher rate of stamp duty is spread evenly through the commercial world rather than, as often happens, being loaded on to the weaker shoulders of small companies that cannot afford professional advice on the scale necessary.

The Paymaster General's responses were inadequate. We may seek answers to some wider questions in the debate that will shortly follow on clause stand part, if it is allowed.

Amendment negatived.

Question proposed, That the clause stand part of the Bill.

Mr. Heathcoat-Amory: The transfer of property is not a luxury but a sign of a dynamic and successful economy, so any tax that inhibits it strikes at the root of productive investment and business activity. In an earlier speech, the Paymaster General suggested that the tax was to bring stability—that it would somehow even out the ebbs and flows of the property market and ensure that we do not have a boom followed by a bust. I do not think that it has anything at all to do with that.

I should believe the hon. Gentleman more if there were some indication that he would lower the rates of stamp duty at another stage in the economic cycle, but, as has been said, it is a ratchet—the direction is ever upward, with no chance whatsoever of the £500 million impost on the commercial sector ever being reversed.

The truth is that the measure is not about stability, but about extra taxation. That sits oddly with the Government's professed desire for a dynamic economy—presumably one in which both foreign and domestic

[Mr. Heathcoat-Amory]

businesses locate, relocate and start up in or transfer to the United Kingdom. The vigour of the property market is a healthy sign, so to tax property transfers is a retrograde step. What is the reason for the clause? Why are the Government increasing taxes on property and, therefore, on commerce at this time?

Mr. Geraint Davies: Does the right hon. Gentleman accept that, given that the rate of increase in commercial sector property prices is more than twice the rate of inflation, any simple understanding of market systems brings one to the conclusion that there is excess demand in the market and that the rate of increase is far in excess of the marginal increase in tax, which will surely be absorbed in containing the rate of increase in prices? There is no way that the increase will harm the economy—far from it. It will have a stabilising impact.

Mr. Heathcoat-Amory: There are two responses to that interesting intervention. The first is that the increased prices in the commercial sector mean that, even at existing rates of stamp duty, the yield is extremely buoyant. It will increase precisely because of the higher taxes; therefore, the Chancellor did not need to increase the rate in order to increase the yield. The second point follows on from my remarks a few minutes ago, which is that I would only accept such an argument if there were any evidence that the Government would cut the rate again if the commercial property market turned down.

That logically follows on from the hon. Gentleman's point. If the hon. Gentleman indicates that that is indeed his policy in the debate we are about to have—however short it may be—I shall regard his interventions with considerable respect in future. Incidentally, I hope that he is on the Standing Committee on this Bill. He was happily on the Committee on last year's Finance Bill and, having finally got the hang of the different between you and they—the first person and the third person—he was an excellent member of that Committee.

Before that intervention, I was asking the Paymaster General about the reason for the tax. There is no environmental reason; as my hon. Friend the Member for Guildford emphasised, it has nothing to do with the difference between building on green-field or on brown-field sites. There is no apparent reason from a European perspective—the Paymaster General has denied that there is a hidden convergence agenda. Finally, the Government do not need the money, because we are in surplus. A budget surplus was nearly achieved in the financial year just ended and there will be a substantial surplus in the financial year on which we have just embarked. Given that there is already to be a £20 billion tax burden on the commercial sector in the lifetime of this Parliament, why is the Chancellor adding to that unnecessarily by increasing rates of stamp duty that disproportionately hit the business sector?

I conclude with those few questions and comments, hoping to allow one or two of my hon. Friends to make a contribution in time for an early end to the debate.

Mr. St. Aubyn: I begin by applauding the Paymaster General's altruism in proposing the clause. We are near neighbours in Surrey, where he is my constituent. Whereas I occupy a humble labourer's cottage, he occupies the mansion of the village—very nice it is, too—and I know that, in this case, the tax rate will hurt him a great deal more than it will hurt me. Nevertheless, one is bound to ask, in what spirit is that altruism being proposed?

The Paymaster General says that he is anxious to prevent boom and bust. Well, we do have a boom. In the past two years, the stock market has increased by about 50 per cent., as measured by the increase in the FTSE index. To help us understand the Government's long-term policy, will the Paymaster General clarify why his Government are happy to preside over a boom in financial assets as represented by shares, but have an engrained hostility to any increase in the value of bricks and mortar in so far as they, too—especially on the commercial property side—represent a financial asset?

We need to know the answer to that question, when the Paymaster General has told us that he believes that 3 per cent. is about right, and has pretty well implied tonight that stamp duty should not go higher than that, and yet he stops short of giving the House any reassurance that he and the Government recognise that if they try to push this boat out any further, the harmful effects—which we have identified this evening—on the property market, especially the commercial property market, will become very marked.

The property-owning democracy is a decent society—there is nothing to be ashamed of in it—but I believe that we have isolated all the possible motives that the Government have for introducing clause 147, and in the end we must conclude that the motivation for the clause comes back to old Labour. It comes back to an old-fashioned attack on property. That is what will drive Labour Members through the Aye Lobby tonight.

Mr. Geoffrey Robinson: My reply will be brief. In your absence, Mr. Lord, and that of your iron discipline, we had a fairly wide debate on amendment No. 10. A debate on an amendment relating to commercial property was turned into one on the housing market, and Opposition Members expressed much anxiety.

It remains only for me to say, as we near the end of the first day's debate in Committee of the whole House, that there is no hidden agenda regarding the increase in stamp duty, and that no European convergence idea underlies it. The obsession of the right hon. Member for Wells (Mr. Heathcoat-Amory) with anything that might smack of Europe is well known to the House and he is respected by many for it, but he must not let that obsession overreach itself by imagining things where, obviously, none exist.

I assure the hon. Member for Guildford (Mr. St. Aubyn) that I am not—sadly or happily—his constituent; that we have no hostility to financial assets; that we are pleased by the sustained confidence shown by the markets in the Labour Government; that we are sure that that will continue; and that we are delighted that property-owning democracy is also continuing, as polls show, to support this Labour Government.

Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 285, Noes 119.

Division No. 257] **[9.58 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Ballard, Mrs Jackie
Bayley, Hugh
Begg, Miss Anne
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Best, Harold
Blackman, Liz
Blizzard, Bob
Borrow, David
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Bruce, Malcolm *(Gordon)*
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Stephen
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Canavan, Dennis
Cann, Jamie
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chisholm, Malcolm
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clelland, David
Clwyd, Ann
Cohen, Harry
Coleman, Iain
Connarty, Michael
Cook, Frank *(Stockton N)*
Corbyn, Jeremy
Cotter, Brian
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dean, Mrs Janet
Denham, John
Dewar, Rt Hon Donald
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Ewing, Mrs Margaret
Fatchett, Derek
Fearn, Ronnie
Fisher, Mark
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galloway, George
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Godsiff, Roger
Golding, Mrs Llin
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hanson, David
Harris, Dr Evan
Heal, Mrs Sylvia
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howells, Dr Kim
Hoyle, Lindsay
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Livingstone, Ken
Llwyd, Elfyn
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
McWilliam, John
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall-Andrews, Robert
Maxton, John
Meacher, Rt Hon Michael
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Alan
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Morgan, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mudie, George
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Paul *(Torfaen)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Rendel, David
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Roy, Frank
Ruane, Chris
Ruddock, Ms Joan
Russell, Bob *(Colchester)*
Sanders, Adrian
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Sir Robert *(W Ab'd'ns)*
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stott, Roger
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tyler, Paul
Vaz, Keith
Walley, Ms Joan
Welsh, Andrew
White, Brian
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Wise, Audrey
Wood, Mike
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Ayes:
Mr. Clive Betts and
Mr. David Jamieson.

NOES

Ainsworth, Peter *(E Surrey)*
Arbuthnot, James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baldry, Tony
Bercow, John
Beresford, Sir Paul
Boswell, Tim
Brazier, Julian
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Forth, Rt Hon Eric
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Simpson, Keith *(Mid-Norfolk)*
Smyth, Rev Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spring, Richard
Steen, Anthony
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Tredinnick, David
Viggers, Peter
Wardle, Charles
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. John Whittingdale and Mr. Nigel Waterson.

Question accordingly agreed to.

Clause 147 ordered to stand part of the Bill.

To report progress and ask leave to sit again,—[*Mr. McFall.*]

Committee report progress; to sit again tomorrow.

PETITION

Cannabis (Medical Use)

10.11 pm

Dr. Brian Iddon (Bolton, South–East): I wish to present a petition signed by several hundred citizens of the United Kingdom, whose signatures were collected in just a few hours by *Your Health* magazine. The petition is considered to be representative of the feelings of millions of people across the UK. It calls for the legalisation of cannabis for medical use. The petitioners therefore request that the House of Commons gives serious consideration to that proposal.

To lie upon the Table.

Venezuela

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. McFall.]*

10.12 pm

Mr. George Galloway (Glasgow, Kelvin): I am conscious of the long and close relations between the United Kingdom and the Republic of Venezuela. If, in the land of the blind, the one-eyed man is king, in the long, troubled history of Latin American dictatorship, Venezuela's relative freedom, democratic rights and respect for the rule of law suggest that that country is not some grim prison state or jack boot-ruled banana republic. That makes it all the more disturbing that I must bring before the House this evening the shocking case of two of my constituents, Vanessa Cross and Andrew McLachlan, who suffered a horror at machine gun point at the hands of members of the military of Venezuela that could have been a particularly gruesome scene from an Oliver Stone film or a Graham Greene novel.

On 31 March 1995, my constituents, lured by the glossy Venezuelan holiday brochures, were camping in an organised group at Playa Arapito. The camp was quiet, most of the tourists had gone to bed, and my constituents were asleep in their tent. They were awoken by the barrels of two machine guns pointing through the entrance of their tent. Two crop-haired, camouflage-uniformed Venezuelan soldiers started a nightmare which, for Vanessa and Andrew, continues to this day.

Andrew was beaten and pistol whipped, and held at gun point, while Vanessa was taken outside and raped by both men. When I saw her last Saturday at my surgery, it was clear that the incident had marked and disfigured the life of that young woman in the same way as a hideous scar across her face might have done. She told me that she thinks about it every day and that her relationship with Andrew, her fiancé, has suffered greatly. She lives in fear—fear of travelling, fear of being alone and fear of men. Andrew is severely traumatised, too, not just living with the memory of looking down the barrel of an automatic weapon, but plagued by massive pangs of guilt that he was unable to come to the defence of his fiancée.

This case has been in front of the Foreign Office and the Venezuelan authorities since March 1995—more than three years ago. It was first raised by the noble Lord Watson, formerly the hon. Member for Glasgow, Central and the couple's Member of Parliament at the time. Lord Watson doggedly pursued justice, writing letters, having meetings and all the time seeking to encourage the Venezuelan authorities to bring the criminals before the courts in order to secure some kind of apology and compensation for the couple. He pressed, too, for our man in Caracas to be more proactive in bringing the matter to a proper conclusion. Alas, all his efforts failed—as have all of my own. That is why I am forced to bring the matter to the Floor of the House this evening.

This rape in Arapito was not just a grave crime in itself; it was followed by calamitous incompetence or, worse, wilful negligence on the part of the Venezuelan authorities, which raises important political questions. Immediately after the assault, my constituents alerted their tour leader, who drove them and the rest of the touring party to the municipal police in Puerta La Cruz. Vanessa was advised by the police there to take a shower in a nearby hotel and reassured that any forensic evidence would be present for up to 14 days following the attack. Alas, she now knows that that was not true.

Vanessa spoke to the police, describing the uniforms and the guns of the perpetrators. The police told her that the attackers sounded like military men from a nearby base, but no formal statement was taken. No one returned to the scene of the crime and no one pursued her attackers. One policeman told her tour leader, Alison Beck, a fluent Spanish speaker, that nothing would be done and no investigation would be carried out. He advised her that the best thing she could do would be to try to get the story into the local newspaper, *El Tiempo*.

Vanessa was seen on the morning of 1 April by the PTJ, the special branch police. She gave three statements to three different people, one of whom also expressed the view that he was certain that the attackers were soldiers from the nearby military base and that he felt that no action would be taken. She was given an appointment card to see a forensic doctor in the afternoon. He refused to see her because his nurse was not present—even though Andrew and the tour leader, Alison, had accompanied her. When she persisted and explained that she was leaving the next day for Caracas, the doctor shouted at her and threw her out of the clinic. Vanessa was shocked and appalled: a guest in Venezuela, her life threatened, brutally raped by two men and then treated like this by a doctor.

Vanessa eventually saw a forensic doctor on 3 April—three days after the attack. Almost unbelievably, while she was being examined by the doctor, he invited a group of medical students to witness the examination. As she said at the time, "Did not these people realise how violated and humiliated I already felt?"

It should not have been difficult—if there had been a willingness to do so—to track down two military men who were outside their base at 1 am armed with machine guns. In fact, no one really tried. All the evidence seems to suggest that no one really tried because of the fear among civilian and even police authorities of the all-powerful military, which menaces democracy and the rule of law in Venezuela.

Vanessa told me on Saturday, "I continue to have terrifying flashbacks of the attack and not a day has gone by without me having to relive the experience. This is something that I have learnt will never go away."

The performance of our embassy in Caracas in this affair has not satisfied either Lord Watson or me, or Andrew McLachlan, a British citizen. For a time, I had the horrible feeling that the apparent lack of concern and urgency on the part of our embassy might be because Vanessa is a New Zealand national. However, Vanessa has British patriality, her grandfather having been British. She lives and works in Britain with a British citizen, Andrew McLachlan. The New Zealand authorities have no embassy in Venezuela, their interests being looked after by the embassy of Great Britain.

I have a letter dated 24 April 1995 written by our consul in Caracas, which pointedly warns Vanessa that she should be aware that

"should she wish to proceed with the case"—

it is an extraordinary proposition that she might not wish to proceed with it—

"she should be aware that she will be required to appear in person, together with Andrew, to recount the evidence."

[Mr. George Galloway]

The consul adds,

"I have been advised that Venezuela will not accept a proxy."

Vanessa and Andrew have made it clear to me that the embassy clearly conveyed to them that if they wished to proceed, they would be doing so very much on their own. To stick around in Venezuela indefinitely and expensively—a country where the police and the justice system had already been found to be severely wanting—was an unappealing prospect and the couple returned home.

Mr. Keith Vaz (Leicester, East): The House will have been shocked to hear of the events in Venezuela concerning two of my hon. Friend's constituents. He will be aware that two of my constituents, Paul Loseby and James Miles, have been in Venezuela over the past year. They were convicted of a criminal offence without having attended their own trial or knowing when the trial was taking place. Does not my hon. Friend's case show that the system of justice and of investigation of offences in Venezuela is deplorably flawed?

Mr. Galloway: My hon. Friend makes the very fair point that Venezuela is not what it is cracked up to be. It is not as it likes to portray itself and not as the world generally thinks of it. Both these cases raise serious questions.

The couple returned home, hoping against hope that the embassy that we maintain in Caracas would look after their interests. That hope has been dashed. Both Lord Watson and I held meetings in London with his excellency the ambassador of Venezuela, who sincerely told us that herculean efforts were being made in Venezuela to find the culprits. He told us that all manner of special task forces and committees had been drafted in to crack this case. By this time, I have no confidence in those efforts or arrangements.

I ask the Government to press for an apology to Vanessa Cross and Andrew McLachlan, not only for the horror of the experience, but for the appalling police and forensic medical work that followed it. I want the Government to energise our diplomatic staff in Venezuela to harry the authorities there until the culprits are found. I want the British Government to raise with the Venezuelan Government the possibility of compensation for my constituents for the horrifying and on-going nightmare that they have had to endure now for more than three long years.

10.23 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Derek Fatchett): I thank my hon. Friend the Member for Glasgow, Kelvin (Mr. Galloway) for bringing this matter to the attention of the House. I extend to his constituents all our sympathy for the events that have taken place. I hope that my hon. Friend will allow me to take up a point made by my hon. Friend the Member for Leicester, East (Mr. Vaz). Having done so, I shall return to the case of Vanessa Cross.

My hon. Friend the Member for Leicester, East referred to his constituents, James Miles and Paul Loseby. The House will recall that he raised the matter last year and that he expressed particular concern about the Venezuelan legal system. The Government shared my hon. Friend's concerns, especially that relating to the possibility that people could be tried and sentenced in their absence. As he pointed out on that occasion, there is no agreement on the transfer of prisoners between the United Kingdom and Venezuela, and it might be useful if I take this opportunity to update my hon. Friend on the current situation.

As my hon. Friend knows, we are keen to negotiate an agreement, and we first approached the Venezuelan authorities in 1994. The Prison Service here, which has overall responsibility for prison transfer matters, was unhappy with the draft text proposed by the Venezuelans, and talks on the subject were suspended at that stage.

On 17 February, we asked the Venezuelans for their views on accession to the Council of Europe convention on the transfer of sentenced prisoners. Our embassy in Caracas has been informed that the Venezuelan Minister of Foreign Affairs has sent a recommendation to the Venezuelan Congress to accede to the convention. My hon. Friend will be pleased by that news, as he will also be pleased to know that a member of the Foreign Office's consular division met a Venezuelan Opposition Member of Parliament who has been involved in the case to which my hon. Friend referred. That was an opportunity to discuss the convention. He undertook to do what he could to raise the profile of the convention among parliamentarians. The Under-Secretary of State for the Home Department, my hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth), also raised the subject when the Venezuelan Minister with responsibility for drugs visited the United Kingdom in November last year. From that information, my hon. Friend the Member for Leicester, East will appreciate that we are active on this issue, and we hope that we may well persuade the Venezuelans to accede to the European convention on the transfer of sentenced prisoners.

I deal now with the sad case that my hon. Friend the Member for Kelvin has brought before the House. I am grateful that he has taken the time to bring the matter to our attention and that he has dealt with it in such a sensitive and delicate manner. I emphasise at the outset that the protection of the rights of British nationals overseas is something which the Foreign and Commonwealth Office takes very seriously. More than 10 million Britons live and work around the world. Others travel as tourists, making more than 40 million trips abroad each year. The protection of our citizens overseas is a front-line responsibility of the Foreign and Commonwealth Office, 24 hours a day and world wide. Our job is to do everything in our power to safeguard the interests of all those British citizens.

My hon. Friend set out the case of Vanessa Cross and Mr. McLachlan, and there is no reason for me to repeat the facts that my hon. Friend presented to us as they are without question. He may be interested to know that our embassy in Caracas was first notified of the attack a couple of weeks after it took place. The embassy immediately made every effort to contact Ms Cross and Mr. McLachlan who, by that time, had moved on with the group to Colombia.

Messages were left at the hotel, offering any help that might be needed at that stage. Ms Cross and Mr. McLachlan did not get in touch, and we understand the reasons explained by my hon. Friend. The Foreign

Office then contacted the tour operator, directly asking it to pass on our assurances that we were available and ready to offer any assistance that might be needed.

As my hon. Friend said, on returning to the United Kingdom, Ms Cross contacted Lord Watson, who was then the hon. Member for Glasgow, Central. His inquiries about the case in June 1996 were followed up promptly by the Foreign Office's consular division. Let me put on record my thanks for the way in which the noble Lord Watson pursued the case. It was typical of the way in which he carried out his responsibilities as a Member of Parliament and it is a great honour for the other place to have him as a member.

Since then, as my hon. Friend knows, our embassy has sent a number of written notes to the Venezuelan Ministry for Foreign Affairs, requesting information about the progress of the investigation. Last August, we were informed that, although the case had not reached a conclusion, investigations would continue. We made further inquiries in February this year, but, at that stage, they yielded no further information.

My hon. Friend mentioned the relationship between the United Kingdom and New Zealand in respect of the case and the way in which our responsibilities have been carried out. We have worked closely with the New Zealand Government and particularly with New Zealand house in London. There is a close relationship and a joint interest, and we shall continue to pursue the matter jointly. With respect to my hon. Friend, the fact that there is a question whether Vanessa Cross has New Zealand nationality or whether, through patriality, she is a United Kingdom citizen is irrelevant in terms of the way in which the matter has been pursued. We shall continue to keep in touch with New Zealand house and the New Zealand authorities.

I hope that, briefly, I have been able to set out what we have done and our aims in respect of the case that my hon. Friend has raised, and I am delighted to tell him that there are substantial signs of progress according to information that we have received only this evening. The embassy in Caracas has been in contact with the newly appointed Executive Secretary of the Human Rights Commission in Venezuela. He has pursued the case actively and we have just been informed that the local police now have suspects. We understand that the next step is for Vanessa Cross to identify them in person. Our embassy in Caracas is following that up with the Venezuelan Foreign Ministry to establish exactly what is required.

I do not need to say much more to my hon. Friend except to make two final points. First, we are all delighted by the news. I cannot flesh it out in any greater detail in terms of whether charges have been laid or the extent of the success of the investigations. Secondly, we shall be making contact with Vanessa Cross. We shall do what we can to assist in the case and, as we have tried to do throughout, we shall handle the case sensitively.

I do not want to reach a premature judgment, but it seems from the information that we have received as late as this evening that dramatic progress has been made. We hope that what we have heard this evening turns out to be a real breakthrough in the case. If it is, it will be good news for my hon. Friend's constituents. I certainly promise to keep in touch with my hon. Friend and both his constituents and, hopefully, we shall bring the matter to a successful conclusion.

Question put and agreed to.

Adjourned accordingly at twenty-seven minutes to Eleven o'clock.

House of Commons

Tuesday 28 April 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

Health Authority Allocations

1. **Mrs. Louise Ellman** (Liverpool, Riverside): When he will announce the additional individual health authority allocations as outlined in the Budget. [38671]

The Secretary of State for Health (Mr. Frank Dobson): I have announced today each health authority's share of the first £288 million of the extra funds that we have provided to reduce hospital waiting lists this year. Liverpool will get an extra £3,193,000. There is more to come.

Mrs. Ellman: I very much welcome my right hon. Friend's statement about additional funding for Liverpool. Will he confirm that that is in addition to the £11.4 million extra already announced for Liverpool health authority? What steps does he intend to take to ensure that the money provided by the Government is used for the purpose for which it is intended—reducing waiting lists?

Mr. Dobson: I can confirm my hon. and numerate Friend's arithmetic. I am taking steps to ensure that every penny that is earmarked for reducing waiting lists will be spent on that alone.

Mrs. Virginia Bottomley (South-West Surrey): Every health authority will welcome any additional money, particularly as the Secretary of State has signally failed to use the Red Book figure as the basis for negotiation to deliver an adequate return for the health service. Why does he not support NHS research and development? Why has he reduced the percentage of NHS money going to research and development—reversing the Culyer commitment—when he is proclaiming the importance of evidence-based medicine?

Mr. Dobson: The right hon. Lady will know from the figures that we have published today that my initiative, using the money provided by the Chancellor in the Budget, will give her health authority an extra £3.4 million to reduce waiting lists in her constituency. Our principal target for the moment is to reduce waiting lists. The waiting lists that we inherited were too high.

Mr. Owen Paterson (North Shropshire): They are higher now.

Mr. Dobson: They are higher still now, but they will come down. The reduction will be greater than any seen in the history of the national health service, because the money will be spent on what it is intended for.

Mr. Bob Blizzard (Waveney): I greatly welcome the additional £3.5 million being allocated to Suffolk health authority, from which my constituents will benefit. I also welcome the announcement that the money will be used to cut waiting lists. How does my right hon. Friend expect the health authority to distribute the money? Will it take into account the length of waiting lists in different parts of the area?

Mr. Dobson: Provided that they reduce waiting lists, I want to leave matters as much as possible to the initiative of those responsible locally. Their targets will be spelled out to them and made public in due course.

Mr. John Maples (Stratford-on-Avon): Will the new allocation to Lambeth, Southwark and Lewisham health authority remedy the situation of an elderly diabetic and cardiac patient who has contacted me? Last September he was given an appointment to see a diabetes consultant in April. That appointment has been cancelled, and he has been given a new appointment for June. In January he was given an appointment with a cardiac consultant for June—a five-month wait. That has been cancelled and he has been given a new appointment for October. Why should he have any confidence in the Secretary of State's stewardship of the NHS?

Mr. Dobson: If the hon. Gentleman wants to raise individual cases with me, I am prepared to take them up and pursue them. If he is asking what Lambeth, Southwark and Lewisham is getting of the new money allocated to reduce waiting lists, I can tell him that it is £5.6 million. I think that that is a substantial sum. If the hon. Gentleman is going for specific cases, I can tell him that his health authority, Warwickshire, will be getting £2.8 million from the new allocation.

Dr. George Turner (North-West Norfolk): I know that the more than £2.2 million allocated to my constituency will be particularly welcome. Given that my right hon. Friend has said that we will be told the targets, and given that he has, I believe, said that money that is being held back will in due course be distributed, will he say on what grounds extra funding will be provided? I would certainly like to get on to my health authority to ensure that it meets the targets.

Mr. Dobson: The initial share is simply intended directly to increase the number of operations. Some of the remaining money—more than £100 million—will be held back so that it can be used to make improvements in primary care, mental health or community services that would indirectly lead to a reduction in waiting lists.

Various health authorities and trusts will be invited to say how much of that money they would like and how they intend to spend it.

Homeopathy

2. **Mr. Desmond Swayne** (New Forest, West): If he will make a statement about the licensing of homoeopathic medicines. [38672]

The Minister for Public Health (Ms Tessa Jowell): Homoeopathic medicines marketed in the United Kingdom must either have a registration certificate under the homoeopathic registration scheme or a marketing authorisation issued by the licensing authority.

Mr. Swayne: What will the hon. Lady do to ensure that the licensing system does not become an enormous economy of scale which will be used by large drug companies to exclude smaller firms which currently serve the market very well?

Ms Jowell: As the hon. Gentleman will be aware, the homeopathic medicine industry is regulated by European directive. There are some quite disturbing inconsistencies in the marketing requirements for products, depending on when they were licensed. Our concern is to ensure that no homeopathic product is marketed in such a way that unproven medicinal claims are inadvertently made about its effectiveness that would be misleading to the public.

Mr. Alan Simpson (Nottingham, South): I am grateful for the Minister's supplementary answer. Does she accept that it is absurd that, if I buy arnica for my football bruising from a company that has the original product licence of right from the 1960s, the packaging tells me that the product is for bruising, whereas the packaging of arnica produced by a newer company cannot tell me that? Is it possible for the United Kingdom to seek a dispensation simply to allow companies to be able to offer the same information about homeopathic products?

Ms Jowell: My hon. Friend makes an important point. The European directive provides for member states to take action in relation to efficacy of products. Only France has so far drawn up guidelines, but, given the growing public interest in homeopathic medicine and complementary medicine more generally, I shall certainly want to study the issue closely.

Primary Care (Leicestershire)

3. **Mr. Andrew Robathan** (Blaby): If he will make a statement on primary care in Leicestershire. [38673]

The Minister of State, Department of Health (Mr. Alan Milburn): In December, we published our White Paper "The New NHS", which sets out our proposals to develop a modern health service. In February, Leicestershire health authority issued a discussion document setting out the primary care locality arrangements in the county and suggested proposals for how those arrangements may evolve towards primary care groups.

Mr. Robathan: The Minister must be aware that the Government are underfunding the NHS in Leicestershire—as compared with other areas—this year by about 3 per cent., or £13.4 million. In primary care, that is leading to disputes among general practitioners over scarce resources. As a direct result of the capitation-based approach to resource allocation, GP services in south Leicestershire will deteriorate. What would the Minister say to my constituents in Countesthorpe and elsewhere, where hospital waiting lists are higher this year than they were last, and where GP services are worsening owing to his Government's policies?

Mr. Milburn: Frankly, I am surprised that the hon. Gentleman has raised that issue. This morning, I inquired about the position with the health authority, and I can tell him that GPs in his area are set to gain from the changes, just as the health authority has gained today following my right hon. Friend's announcement of an extra £4.8 million to tackle waiting lists.

Mr. Barry Sheerman (Huddersfield): Is not Leicestershire—like so many other parts of the country—doing extremely well under the new Government? Is it not important that Leicestershire and other health authorities should use the 50th anniversary year of the NHS not only to look back to their achievements but to look forward to what a dynamic and innovative health service can do for the citizens of Leicestershire—and do it better than ever before?

Mr. Milburn: My hon. Friend is absolutely right. We have a heaven-sent opportunity in this, the 50th anniversary year, to look to the future and to produce a modern and dependable health service which is properly resourced and engages all family doctors, community nurses and all staff in providing an excellent service day in, day out. That is a sentiment we ought to hear from Opposition as well as Labour Members.

Mr. Edward Garnier (Harborough): May I cautiously invite the Minister not to spend too much time or Government money on celebrating the anniversary of the NHS, but to make sure that there is sufficient provision within it to assist those who need it? As we are talking about Leicestershire, will he assure me that the new dispensation under his glorious Government will provide sufficient funds for physiotherapy services for my constituency? We are satisfied with our GP provision—we have a number of excellent practices—but, in Harborough, we are short of physiotherapists. Will the Minister assure me on that matter?

Mr. Milburn: I am not sure whether the hon. and learned Gentleman has seen the light or not, but I will take his remark as a compliment. Physiotherapists, and therapists generally, provide an important service to the NHS. It is important to acknowledge that, in some parts of the country, there are problems in recruiting physiotherapists and occupational therapists. Unlike the previous Government, we will not sweep the problems under the carpet. We are doing what we can to tackle them—particularly by providing more training facilities and grants for those who want to take up that profession inside the NHS.

Walk-in GP Clinics

4. **Mr. Paul Truswell** (Pudsey): What plans he has to ensure the proper regulation of walk–in private GP clinics. [38674]

The Minister for Public Health (Ms Tessa Jowell): General practitioners involved in private clinics are subject to scrutiny by the General Medical Council in the same way as all other doctors.

Mr. Truswell: Did not the recent survey in *Health Which?* paint a particularly depressing picture of people paying between £36 and £250 to see a GP who did not know them from Adam; who had no access to their medical records; who was not trained to the exacting standards of the NHS; who was not subject to a proper complaints procedure; and who was not registered with the local health authority? Quite apart from those concerns, is this not one more chilling indictment of the previous Government's mentality, which gave rise to this form of taxi-rank medicine?

Ms Jowell: My hon. Friend is absolutely right. The account in *Health Which?* of prescribing by a number of independent walk-in health centres made disturbing reading. It is not in patients' interests—which are the single most important thing—to go to a GP who does not know them, or their medical history, or what they are being prescribed. That is why our efforts are going into building a modern and dependable health service which is led by quality, combining technical excellence with the responsive and flexible meeting of patients' needs. In pursuit of that, my hon. Friend will join me today in welcoming the allocation of £4.2 million to drive down waiting lists for his constituents, honouring a promise made by the Government at the time of the election a year ago.

Mrs. Marion Roe (Broxbourne): Will private GPs be able to make secondary recommendations? What is the Minister's view of the relationship between private GPs and the NHS?

Ms Jowell: With great respect, I think that I have made the situation absolutely clear. Our concern is with the interests of patients. It is not in their interests to shop around and to go to several different GPs. They will receive the best care by going to a GP who knows them and whose services and care are supported by state-of-the-art medicine, delivering health care to patients where they need it.

Dr. Peter Brand (Isle of Wight): I am very disappointed that the Minister is ducking the question. Does she not agree that our experience with slimming clinics, some cosmetic surgery clinics, and now private walk-in clinics, is such that we need a regulatory mechanism that is more beefed up than that existing at present?

Ms Jowell: We do keep any such development under close review, but the medical conduct of GPs who operate in those or other private clinics is a matter for the General Medical Council.

Specialist Services

5. **Ms Sally Keeble** (Northampton, North): When he intends to issue consultation proposals to the NHS on commissioning specialist services. [38675]

The Parliamentary Under-Secretary of State for Health (Mr. Paul Boateng): The consultation proposals on commissioning specialist services were published on 8 April and issued to the national health service and to relevant professional and voluntary organisations. Copies are available in the Library. The document may also be viewed on the internet, on the NHS web page. Responses are requested by 1 June.

Ms Keeble: I welcome the statement. I am sure that the consultation can lead to substantial improvements in the quality of life in care for people with difficult conditions. Will the consultation also cover services that are needed by people with multiple sclerosis and motor neurone disease, who have very complex care needs, ranging from community to specialist, over a period? In my constituency, those needs are extremely well met at Favell house, which provides that seamless care from community to specialist medical treatment.

Mr. Boateng: The consultation is designed to cover precisely that sort of complex condition. MS is one of those conditions that is well served by the voluntary and charitable sector, which will no doubt respond to the consultation. We look forward to hearing what it has to say.

Mr. Owen Paterson (North Shropshire): Royal Shrewsbury hospital provides world-renowned specialist services. There is a proposal for its amalgamation with the nearby Princess Royal hospital in Telford. Will the Minister guarantee that he will consult locally to ensure that those specialist services stay in Shrewsbury?

Mr. Boateng: The hon. Gentleman has been in the House long enough to know that consultation is very much a part of any proposal. Consultation will no doubt take place in the usual way, and, if it comes to Ministers, he will have an opportunity to make his views known.

Rev. Martin Smyth (Belfast, South): Bearing in mind the fact that there is growing emphasis on devolution throughout the nation and that, at the same time, more specialist skills are needed for technical work in the health service, will the Minister give an undertaking that specialist services that serve the whole nation will be available?

Mr. Boateng: We work closely with colleagues in the Northern Ireland Office, and the hon. Gentleman can be sure that what we propose in this instance will apply throughout the nation. Of course that will include Northern Ireland.

New Deal

6. **Mr. Jonathan Shaw** (Chatham and Aylesford): What proposals he has for extending the new deal to the NHS. [38676]

The Minister of State, Department of Health (Mr. Alan Milburn): I wrote to health authority and NHS trust chairmen on 11 March, in a joint letter with my right hon. Friend the Minister for Employment, Welfare to Work and Disability Rights, about the benefits of the new deal, encouraging them to support the Government's welfare-to-work programmes. The NHS executive will shortly issue further guidance to NHS employers.

Mr. Shaw: Given that the NHS is the largest employer in the UK, is it not sensible that it plays a part in the Government's new deal initiative? Furthermore, does my hon. Friend agree that the new deal provides a golden opportunity, given the concern about the shortage of nurses, for NHS trusts to attract back nurses who perhaps have been prevented by family commitments from going back to work in hospitals?

Mr. Milburn: My hon. Friend is absolutely right. The NHS is in a position both to contribute to and to gain from the new deal. I am pleased to tell him that, when I visited Newcastle yesterday, I learned that the NHS in Tyne and Wear is already considering making available 100 health care jobs through the new deal. I expect that to be followed in other areas.

National Survey

7. **Mr. Derek Twigg** (Halton): When the first national survey of patients and user experience will be carried out in the NHS. [38677]

12. **Mr. Dennis Turner** (Wolverhampton, South-East): When the first national survey of patients and user experience will be carried out in the NHS. [38685]

The Secretary of State for Health (Mr. Frank Dobson): The first national survey of the experience of NHS patients, users and carers will be carried out later this year.

Mr. Twigg: Is not the best way of getting patients and staff more involved in an organisation to give them a voice in it? Is it not especially important, given the massive injection of resources that the Government have put into the health service recently, to give people that say and ensure that the money is spent correctly? North Cheshire has already been allocated £6 million for 1998-99, with an extra £1.9 million to reduce waiting lists, which was described by the chief executive of North Cheshire health authority as

"a huge sum of money".

Mr. Dobson: I certainly welcome any such statements. We certainly need to listen to the people who work in the national health service, which is why I made it my business recently to write to every single person working in the service to ask for comments on the service generally and on local matters.

We are also determined to carry out straightforward surveys of the experience of patients, users and carers; that has never been done before, and it will be the first example of a Government listening to what the people who use the service have to say. Up to now, any assessment has depended on odd random surveys or anecdotal evidence; some of that may be perfectly valid, but we want to find out systematically what people think about the services that they are getting.

Mr. Turner: Is this not an excellent and fitting way in which to celebrate the 50th anniversary of our national health service, created by a Labour Government? Will not a new, dependable, modernised health service be created by this new Labour Government to take us into the next 50 years?

Mr. Dobson: I endorse everything that my hon. Friend has said. It is always worth repeating for the record that the Tory party voted against the establishment of the national health service. People need reminding of that from time to time.

A genuine survey of patient opinion will confirm what polls conducted by the commercial pollsters show: if asked what they think about the national health service generally, people say that it is pretty good; but if asked about the service that they and their family got, they think that it is brilliant. It is necessary to emphasise the extent to which people who use the national health service are satisfied with the treatment that they receive.

Mr. Simon Hughes (Southwark, North and Bermondsey): After the rough ride that the Secretary of State got at the Royal College of Nursing congress last week—

Mr. Milburn: Were you there?

Mr. Hughes: No, but I was there the next day.

Does the Secretary of State agree that we do not need a national survey of user and patient experience to confirm that, a year on from Labour's general election victory, community hospitals are closing or threatened with closure; a quarter of trusts and authorities project deficits; there are more than 10,000 vacancies in the NHS; and waiting lists are up 100,000 instead of down 100,000? Is the right hon. Gentleman telling us that that is saving the NHS? Is not the truth that, a year on, the NHS is far from safe in the Labour Government's hands?

Mr. Dobson: All I can say in response to the hon. Gentleman's usual whingeing, moaning contribution is that the figures announced today show that the health authorities serving seats represented by Liberal Democrat Members are getting an extra £73 million to help to deal with waiting lists. People—I refer not to constituents but to the whingeing, moaning Liberal Members of Parliament who purport to represent them—should show some gratitude.

Dr. Julian Lewis (New Forest, East): Will the survey of user experience include women raped on mixed wards in acute psychiatric units? Will the Minister explain why new units with mixed wards are still being built in London, despite the opposition of a range of mental health charities? Is it not disgraceful that last Friday the Government again blocked the Mental Health (Amendment) (No. 2) Bill, which would prevent users unfortunate enough to go into an acute psychiatric unit from having such horrifying experiences?

Mr. Dobson: It is news to me if new mixed wards are being opened. If they are, I will put a stop to it.

Audrey Wise (Preston): I welcome my right hon. Friend's last remarks, and the national survey. Does he

none the less agree that, although such national surveys are extremely useful and welcome, they cannot replace certain pilot schemes that enable deeper evaluation to be made of some treatments? Does he accept that a number of such schemes have been conducted in maternity services? Will he make sure that, having received good evaluation, including favourable responses from users, health authorities and trusts will listen to the results of those evaluations?

Mr. Dobson: What we propose is intended to supplement the current evaluations and pilot schemes. The object of the exercise—pilot schemes and evaluations as well as the national survey of opinion—is simply to identify the things that are right and ought to be encouraged and the things that are wrong and should be discouraged, and in that way to improve the performance of the health service. That is what everyone in the country wants, and all the 1 million people working in the health service want.

GP Prescription Budgets

8. **Miss Anne McIntosh** (Vale of York): If he will make a statement on the financial provision for GP prescription budgets. [38678]

The Minister of State, Department of Health (Mr. Alan Milburn): Nearly £4.4 billion has been allocated to health authorities in England to cover the cost of drugs and medicines prescribed by general practitioners this year.

Miss McIntosh: Does the Minister agree with some practitioners that setting cash limits on prescription budgets will detract from their freedom to act in the best interests of their patients and in accordance with their best clinical judgment? Does he agree that it could lead to a loss of morale, especially in the GP profession; might harm recruitment; and might prevent the best relations between doctor and patient from being established? Does he accept that it should be for the GPs to prescribe what is best for their patients?

Mr. Milburn: The answers to the hon. Lady's questions are no, no, and yes. Yes, of course it is for the family doctor to decide what is in the best interests of the individual patient, but I did not hear any howls of protest from Conservative Members when the previous Government cash-limited drug spending for 50 per cent. of GPs by introducing the GP fundholding scheme. There were no protests then, so why the protests now?

Mr. Barry Jones (Alyn and Deeside): Has my hon. Friend guaranteed the clinical judgment of general practitioners?

Mr. Milburn: Yes. As my hon. Friend is aware, we have put family doctors and community nurses in the driving seat. We have removed the artificial barriers between prescribing budgets and referral budgets which, in the past, have got in the way of allowing the family doctor to make the right decision for the patient. We have done no more and no less than increase GP freedom.

Mr. John Maples (Stratford–on–Avon): It was good to hear the Secretary of State say that survey after survey showed how happy people were with the NHS. He was clearly referring to the British social attitudes survey. There has not been one since the election, so presumably he was referring to people's happiness with the health service when it was being run by us.

I should like to bring the Minister back to the question of GPs' budgets. Under fundholding there was a trade-off for fundholders between prescribing and referrals to secondary care. GPs were limited in a much wider budget and in a great many cases they overran it and the money was made available to them by their health authorities. Under the new primary care groups, that will not be the case, will it? Suddenly, the vast majority of GPs believe that there will be a separate cash-limited prescribing budget within the group's overall budget. That is one of the reasons why so many of them are showing, in survey after survey, their misgivings about the new proposals.

Mr. Milburn: On his first point, I remind the hon. Gentleman of what he said in Birmingham recently about the previous Government's record on the national health service. He said that they had failed and that the British people had given their judgment on that. Let us be clear about the facts.

Secondly, the hon. Gentleman referred to GPs' prescribing budgets. I say to him, to the House and to GPs throughout the country that no GP will run out of cash, that patients will be guaranteed the drugs and the treatment that they need, and that, if a primary care group overspends, the overspend will be catered for within the health authority's general allocation.

Miss Melanie Johnson (Welwyn Hatfield): Can my hon. Friend confirm the excellent comments made by my right hon. Friend the Secretary of State for Health at an Association of the British Pharmaceutical Industry event last Thursday evening? He made a well-received speech, in which he rightly said that we would ensure that money spent on pharmaceuticals and on drugs was used most effectively. His concern was not about budgets, but about effective treatment for patients.

Mr. Milburn: My hon. Friend is absolutely right. The new system that we shall introduce will allow the individual family doctor to decide what is best for the individual patient, without there being any artificial barriers in the way. That may mean that there will be an increase in drugs spending in some GP practices; elsewhere, it may mean an increase in referral patterns to hospital. The key fact is that, in future, decisions will be taken in the best interest of the patient.

Dentistry (South-West)

9. **Mr. David Heath** (Somerton and Frome): How many applications from the south-west of England have been approved under the investing in dentistry initiative. [38681]

The Minister of State, Department of Health (Mr. Alan Milburn): Since the investing in dentistry initiative was announced last September, my right hon. Friend the Secretary of State has approved 46 funding requests from the area covered by the south and west regional office of the national health service executive.

Mr. Heath: I thank the Minister for that reply and warmly welcome the initiative, if it provides wider access

to NHS dentistry. Will he continually audit the evenness of the spread of availability across the country, and ring-fence any moneys that are unspent from the allocation, and ensure that they are available for dentistry? Will he also ensure that my constituents, some of whom have rung me in desperation about finding a dentist within reasonable travelling distance who will provide NHS treatment, are satisfied that there is such provision in their area?

Mr. Milburn: We have received two investing in dentistry applications from the hon. Gentleman's constituency. Both have been approved. We have allocated an extra £50,000 as a consequence, and an extra 4,000 patients in his area will have access to NHS dental care as a result. We want the NHS dental service to be available across the country as part and parcel of a modern and dependable health service, not an add-on or an afterthought. That is why we are tackling access problems through investing in dentistry and through other initiatives. They are working well to date, and we shall continue to monitor to ensure that they work well in the future.

Mr. Peter L. Pike (Burnley): Is it not a fact that, in the south-west and in the north-west, the Tory party—

Madam Speaker: Order. We are not concerned about the north-west. I was waiting for someone to widen the question, which is about applications from the south-west of England.

Mr. Pike: Is not it a fact that people in the south-west cannot get NHS dental treatment, and cannot move anywhere else in the country to get it, because the Tory party destroyed the dental service in the south-west and throughout the country?

Mr. Milburn: Throughout the south-west and in other parts of the country, we are taking action to tackle the availability problems that are a legacy of the previous Government's rundown of NHS dentistry. Through investing in dentistry, we are making NHS dental services available to an extra 250,000 people across the country who otherwise would not have access to them. That is a good start, but we want it to continue.

Waiting Lists

10. **Dr. Vincent Cable** (Twickenham): When he expects waiting lists will be reduced by 100,000 from the 1 May 1997 levels. [38682]

The Secretary of State for Health (Mr. Frank Dobson): As I made clear on 18 March, we are committed to reducing waiting lists to 100,000 below the record levels we inherited by the end of this Parliament.

Dr. Cable: I thank the Secretary of State for his reply. Can he give an assurance that, following the welcome additional money now being used to reduce waiting lists, there will be no further cases of the sort reported to us as constituency Members of Parliament, wherein clinicians have been leaned on by administrators to distort their medical priorities in order to treat politically more embarrassing 18-month waiting list cases?

Mr. Dobson: I would not have thought that any clinician worth his or her salt would allow themselves to be leaned on. If they allowed their judgment to be clouded in that way, that was their fault and they must answer to their conscience, their profession and their patients.

Mr. Andrew Mackinlay (Thurrock): As part of the strategy to bring down hospital waiting lists, will the Secretary of State consider approaching the South Essex health authority and Basildon and Thurrock General Hospitals NHS trust to find out whether the spare capacity in wards at Orsett hospital can be used not only for my own area of Basildon and Thurrock, but for the wider regional need to reduce hospital waiting lists?

Mr. Dobson: I do not pretend to be an expert on every hospital in the country, and I am sure that those in charge in that area, having had it made clear to them by me that they are to get their waiting lists down, will take every sensible step to get them down. In this case, they will be assisted by the £3.8 million that is going into my hon. Friend's area, which takes the total extra money that we have put in to £18.5 million over and above what the Tories intended.

Mr. Patrick Nicholls (Teignbridge): Does the right hon. Gentleman recall that, in its document "Labour's Early Pledges" and, indeed, in the general election manifesto, the Labour party promised immediate action to reduce waiting lists by 100,000? Is it not a fact that, 12 months on, waiting lists have actually increased by 100,000? Although no one doubts the sincerity of the right hon. Gentleman's commitment to the national health service, is not the truth of the matter that, in the general election campaign, the Labour party made promises about waiting lists that it knew it could not possibly keep, because it did not want political honesty to get in the way of a successful electoral outcome?

Would not the people of this country be better served if, instead of casual ad hoc sums being offered up as a fig leaf to spare the Secretary of State's embarrassment, the right hon. Gentleman came to the House today and pledged that the Government would ensure that their annual increases were at least as great as those of the previous Conservative Government? That would be an announcement worth hearing.

Mr. Dobson: Talking about casual promises, we could reasonably interpret the hon. Gentleman's remarks as a rejection by their elected representative of the £6 million extra that is going to the two health authorities serving his constituents. The casual ad hoc sums to which he refers are apparently of no consequence to the hon. Gentleman, but I am sure that many of my hon. Friends would welcome them being spent in their area. We are serious about getting waiting lists down. The people of this country are sick to death of waiting lists, year in, year out. It is not the fault of the people working in the health service, but the fault of successive Governments. We have to bring waiting lists down and we are going to bring them down.

Mr. Dennis Skinner (Bolsover): Instead of wasting too much time listening to hypocritical claptrap from the Tories—they had their chance and they blew it—will my right hon. Friend bear in mind that he probably has the biggest nut to crack in getting down waiting lists, and that £500 million was set aside for contingencies in the Budget

a few weeks ago? Will he consistently remind the Chancellor of the Exchequer that we need to keep the promise to get waiting lists down, and that it will need a lot of money? A lot rests on it, so let us make sure that we get our hands on all the cash available to do it.

Mr. Dobson: My hon. Friend knows that both he and I set a great deal of store by propriety. He knows that I have discussions with the Chancellor and the Prime Minister, and that it would be wrong for me to disclose their contents, but we have been successful in obtaining an extra £500 million to be spent on reducing waiting lists this year, and I expect that sufficient sums will be forthcoming to reduce them by 100,000 or more before the end of this Parliament.

I remind those Conservative Members who seem to think that their stewardship of the national health service was popular of the statement made by the hon. Member for Stratford-on-Avon (Mr. Maples), now the principal Tory spokesman on the health service, who, as recently as 22 September 1997, said:

"We had a very clear policy on the health service up until May 1. It was rejected by the electorate."

Primary Care Groups

11. **Mr. Andrew Lansley** (South Cambridgeshire): When he next expects to meet the Royal College of General Practitioners to discuss the structure of primary care groups; and if he will make a statement. [38684]

The Minister of State, Department of Health (Mr. Alan Milburn): We have regular meetings with general practitioners and other primary health care representative bodies, including the Royal College of General Practitioners. The development of primary care groups is just one among a number of issues that we have discussed. These professional bodies are supportive of the Government's plans to develop a modern and dependable national health service.

Mr. Lansley: Will the Minister confirm that it has emerged from meetings with those professional representative bodies that the problems of recruitment and retention of general practitioners are severe and growing? To meet those needs, will he therefore extend to general practitioners the commitment that the Secretary of State gave to the nursing profession—that the Government do not propose to stage future pay awards?

Mr. Milburn: As the hon. Gentleman is aware, there are problems with the recruitment and retention of GPs in some parts of the country. As he is also aware, the Doctors and Dentists Review Body recommended to the Government—and we have accepted the recommendation—that an extra £60 million be found to tackle some of those problems in the course of the next year or so. We shall discuss those recommendations with the professional organisations, including the British Medical Association, and no doubt target those resources to tackle the hard core of recruitment and retention problems that are encountered in some parts of the country.

Mr. Kevin Barron (Rother Valley): When the Minister consults the Royal College of General Practitioners, will he remind its members that the formation of primary health care groups that include people who work in and for the national service and those who are contracted to it will not only improve health care, but prevent ill health? Everyone who is concerned about ill health in this country should join in welcoming that.

Mr. Milburn: My hon. Friend is absolutely right. Throughout the country, family doctors and community nurses are enthusiastically embracing the idea of primary care groups, for two good reasons. First, it puts them in the driving seat in shaping hospital services and other local health services, and gives them far more leverage, influence and power than they have ever had. Secondly, the primary care groups go with the grain of the more recent developments in the NHS, where family doctors are coming together and overcoming the divisions of the past—especially the sole legacy of the previous Government to the national health service. The previous Government left the GP community split down the middle between fundholders and non-fundholders, but that is being brought to an end, because we want those in the NHS, including those in primary care, to work together as one.

NHS Accountability

13. **Mr. Bob Russell** (Colchester): What plans he has to increase public accountability in the NHS. [38686]

The Secretary of State for Health (Mr. Frank Dobson): Since we took over, we have opened trust board meetings to the public, and removed the gagging clauses on staff. We have appointed people more representative of the communities that they serve. For example, more than half the appointments are of women, and we have doubled the proportion of black and Asian representatives.

Mr. Russell: Does the Minister agree that a strong body of opinion in the Labour party would like some democracy to be introduced to the people's national health service? May I suggest that we should do away with quangos? I invite the Minister to consider the three trusts in my constituency, plus the area health authority, in which all four chairmen are Conservatives, two of whom have been rejected by the electorate. Is it not the case that the present Government are just providing retirement jobs for defeated Conservatives?

Mr. Dobson: On the hon. Gentleman's last point, I do not think that that has been the main burden of the Conservative attack on the people whom I have appointed. I thought the point was—I may have missed it slightly, but I do not think so—that I was heaving out too many Tory deadheads. However, I may be wrong. The hon. Gentleman appears to think that he is an expert on the internal affairs of the Labour party.

Mr. Dennis Skinner (Bolsover): He is a retread.

Mr. Dobson: I understand that the hon. Gentleman was once a member of the Labour party, and he remains an expert on it. However, I assure him that there is no substantial body of opinion within the Labour party seeking a wholesale change to the national health service. Labour Members want to see that service working.

When it comes to elected representatives, I do not think that there is a council in this country comprising 50 per cent. women members or 9 per cent. black and Asian members. Those percentages certainly apply to my appointments to the national health service.

Mr. Paul Flynn (Newport, West): What can members of the public do when they suspect that their relatives are being over-prescribed neuroleptic drugs in residential homes? There is a wealth of evidence to suggest that anti-psychotic drugs are being administered to make the homes easier to run rather than to benefit the patients. Will the Secretary of State aim to reduce costs and damage to patients in the health service by avoiding the over-prescription of not only neuroleptic drugs, but antibiotics?

Mr. Dobson: We must aim to ensure that the right people are prescribed the right drugs in the right amounts at the right times so that there is no over or under-prescribing, or people getting no prescriptions at all. That is our target. As to people in one institution or another being treated badly, the fact that we have opened trust board meetings to the public and removed the gagging clauses on staff should provide substantial new protections.

Mr. John Wilkinson (Ruislip-Northwood): Does the Secretary of State believe that he increased public accountability by announcing yesterday to a private NHS meeting his plans to create a single health authority for London, which will take over the role of the North Thames and South Thames NHS executives? How did that increase public accountability? Should not the Secretary of State have done us the courtesy of making that announcement to the House of Commons? Ought he not to have borne in mind the implications that the announcement would have for NHS trust hospitals, such as Mount Vernon in my constituency, which straddles the Greater London boundary? Furthermore, what is the future of the home county areas that are currently administered by those two executives?

Mr. Dobson: If my announcement yesterday to a private meeting was a secret, it was one of the worst-kept secrets in the national health service. Sir Leslie Turnberg proposed a London-wide health region in his review, which we published. It was endorsed in the Government's written response to that review, which we also published and which I introduced with a statement in the House. I went no further than saying that we should get on with it a bit more quickly than we intended originally.
There will obviously be certain problems with the boundaries, and we shall look at them carefully. From the point of view of the health care of Londoners, having a London-wide health region that will take London-wide strategic decisions is better than having two bodies that serve the south and the north of the Thames—and which are notoriously very bad at liaising with each other—taking those decisions.

Mr. Ken Purchase (Wolverhampton, North-East): Does the Secretary of State accept that accountability goes further than appointing people to positions in the NHS? It includes NHS systems that people understand readily. Will the Secretary of State encourage health authorities and trusts to adopt the standards of the King's Fund and the equivalent of International Standard Organisation 9000—which, incidentally, the authority in my constituency has just been awarded? Will the Secretary of State take on board my comments, and congratulate my authority on taking that action?

Mr. Dobson: I am happy to congratulate the Wolverhampton authority. Like many others in the west midlands, it is innovatory and dedicated to looking after local people better. The previous Government changed the arrangements in the NHS for consultation and for complaints. For good or ill, those procedures should stay in place for a while for us to see how well they work, rather than our deciding to rip them up without examining the evidence. We want far more genuine consultation in future.

Of all the changes that we are making to the NHS, the most far-reaching is perhaps the proposal that each health authority should in future be required to draw up a health improvement programme for its area, identifying what is wrong and presenting proposals to put it right, and that that should be done in consultation with local authorities, voluntary organisations, staff, professional bodies and local businesses. When all have signed up to it, they should buckle down and put those programmes into action.

Mr. Julian Brazier (Canterbury): In light of the fact that community health councils are publicly accountable in a way that district health authorities are not, will the Secretary of State take particular note of the views of Canterbury and Thanet community health council if, as appears likely, it refers to him East Kent health authority's dreadful proposals to close the Kent and Canterbury hospital? Following his answer to my hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson), will the Secretary of State confirm that there is no danger of East Kent suddenly moving regions, in the middle of an already fraught consultation?

Mr. Dobson: East Kent is fairly likely to stay where it is. I know about the history of the Goodwin lands becoming the Goodwin sands, but Kent is probably fairly safe for the immediate future.

If the community health council objects to the proposals affecting the hon. Gentleman's constituency, that decision will come to me, as he well knows. It will be my responsibility to decide what happens. The hon. Gentleman is not a churlish Member, generally speaking, so I would have hoped that he would welcome the £3.6 million extra that we provided for his area to reduce the waiting lists, whatever the hospitals.

NHS Staff (Consultation)

14. **Mr. Vernon Coaker** (Gedling): What action he proposes to improve consultation with staff within the NHS. [38687]

The Parliamentary Under-Secretary of State for Health (Mr. Paul Boateng): We have made clear our commitment to involve national health service staff in decisions about how the NHS is run. We have set up a task force to identify and explore new approaches to staff involvement, and my right hon. Friend the Secretary of

State has written to every individual working in the NHS, seeking his or her views on examples of what has or has not been shown to work in practice.

Mr. Coaker: Does my hon. Friend agree that consultation with staff in the NHS is vital if we are to rebuild the NHS and get the NHS that we want? With reference to the task force that the Government have set up to consult staff, is it not significant that it includes not only senior managers and doctors, but porters, so that the forgotten army of the NHS is represented and can express an opinion on the future development of the NHS?

Mr. Boateng: We have made clear our intention that the 13-strong panel that has been set up as the task force should include porters, nurses, doctors, managers, a national union officer and representatives from outside the industry, all of whom are making a valuable contribution to the work of the task force. It is a matter of recognising the skills that exist in the NHS and using them.

Mr. Edward Leigh (Gainsborough): When the Minister next consults NHS staff, what estimate will he give of the size of waiting lists this time next year?

Mr. Boateng: We need no lessons from Conservative Members about consulting NHS staff. As they know, we see NHS staff as our greatest asset—one that they wasted when they had the opportunity to use it.

Ms Diane Abbott (Hackney, North and Stoke Newington): Will the Minister ensure that in consulting NHS staff, some attention is paid to finding out their views and opinions on issues affecting black and ethnic minorities? After the second world war, women of Afro-Caribbean descent played an important role in building up the NHS. In my view, their contribution has never been sufficiently recognised.

Mr. Boateng: My hon. Friend has shown considerable commitment to ensuring that the contribution of Afro-Caribbean and Asian men and women to the NHS is recognised, and we shall celebrate it in the course of this 50th anniversary year. I was pleased to have the opportunity of visiting, with my hon. Friend, a hospital in her constituency, showing that the Government consult all staff and recognise the manifold contribution of all those who, over the years, have built the NHS into something we should be proud of and something that Labour Members are determined to protect.

NHS Bureaucracy

15. **Mr. John Bercow** (Buckingham): If he will make a statement on his plans for releasing £1 billion from NHS bureaucracy; and when he expects this target to be met. [38688]

The Minister of State, Department of Health (Mr. Alan Milburn): The Government have already taken action to reduce bureaucracy in the national health service. By the end of this year, £240 million that would otherwise have been spent on bureaucracy will be released for patient care. Building on that, the White Paper "The New NHS" sets out a programme of action to release £1 billion from bureaucracy by the end of this Parliament.

Mr. Bercow: I am grateful to the Minister for that reply. How does he square his rhetoric about cutting bureaucracy in the health service with the intention in the White Paper to create a national institute of clinical excellence, a commission for health improvement, a primary care group, an advisory committee on resource allocation and a capital prioritisation advisory group? What is his estimate of the likely annual cost to the national health service of the flotilla of pen pushers that he proposes to create?

Mr. Milburn: I know that the hon. Gentleman has a reputation as a zealot for all things Conservative, but I would have thought that even he would have drawn the line at protecting and defending bureaucracy at the expense of patients. We want to establish a national institute for clinical excellence and a commission for health improvement to improve the quality of services to patients. I hoped that that would command support not only from Labour Members, but across the House. I can tell the hon. Gentleman that we intend to release £1 billion by cutting the number of commissioning bodies from around 4,000 to as few as 500, and by ending extra-contractual referrals, the annual contracting round and the absurd system of individual invoicing introduced by the Conservative Government.

Points of Order

3.32 pm

Mr. Andrew Robathan (Blaby): On a point of order, Madam Speaker. I know that the Minister of State, the hon. Member for Darlington (Mr. Milburn), would not wish to be misunderstood or in any way to mislead the House. I respect that, but he said in response to my question that general practitioners in my area were happy with the settlement that they had received. I should like to assure him and you, Madam Speaker, that they are very unhappy.

Madam Speaker: That is not a point of order, but an abuse of a point of order. The hon. Gentleman should not be making that point to me as Speaker. I have no control over such matters.

Ann Clwyd (Cynon Valley): On a point of order, Madam Speaker. You will be as disturbed as the rest of us by the pictures on television of dead and dying children in the Sudan. Because of the considerable concern of our constituents, may we expect a ministerial statement on the matter in the next few days so that we can find out in detail what action the United Kingdom Government are taking to alleviate those terrible problems?

Madam Speaker: I have not been informed that the Government are seeking to make a statement. I have noticed what appears on television, and the hon. Lady has made her point. I believe that I am right in saying that tomorrow we have questions to the Department for International Development. I have not yet looked at the questions, but they may provide some opportunity for Ministers to be questioned on the matter.

Mr. Nick Gibb (Bognor Regis and Littlehampton): On a point of order, Madam Speaker. During yesterday's debate on amendment No. 2 to clause 30 of the Finance (No. 2) Bill, I was informed—

Madam Speaker: Order. I am sorry, but the situation arose in Committee when I was not in the Chair; therefore, it was not my responsibility. If the hon. Gentleman approaches the Chair when the House is in Committee, he may be able to seek some help.

Town and Country Planning (Amendment)

3.34 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy): I beg to move,

That leave be given to bring in a Bill to amend the law with respect to town and country planning.

It is vital that planning legislation is reviewed periodically to reflect the various changes in society, which may be socio-economic, cultural or demographic in nature. Some aspects of the law relating to town and country planning are in dire and urgent need of reform, and that is why I seek leave to present the Bill.

One aspect which needs to be addressed is the situation whereby planning permissions granted 25 or 30 years ago remain valid despite nothing but the merest effort to develop being made by the holder of the planning permission. Under the Town and Country Planning Act 1990, a development must usually be begun within five years of the granting of permission or within two years of the final approval of any reserved matter.

The moot point, and that which concerns me, is when a development is said to have begun. Sweet and Maxwell's "Encyclopaedia of Planning" refers to that and says that a developer can comply by doing

"any work of construction in the course of erection of a building"—

that is a wide latitude—or even

"any operation in the course of laying out or constructing a road or part of a road, for example, marking out the line . . . with pegs."

Therefore, a developer can simply mark out the line of an estate road, which may or may not be developed in the future, with a few wooden pegs, and that constitutes development within the Act, keeping the planning permission extant.

Planning authorities are not using existing powers to place time limits on developments; that causes considerable damage to many communities and brings the system into disrepute. Take, for example, the village of Aberdyfi in my constituency, an old, small seaside village steeped in maritime history.

In the late 1960s, a developer was granted planning permission for more than 200 houses on Copper hill above the village. There was no local need for them then and there is no local need for them now. The fact that those permissions have been in existence for more than 30 years without a single plot having been built on persuades me that there never was a local need for them. The developer is in effect treating them as his pension policy bonanza, and the mere fact of a peg having been hammered into the ground here and there keeps his speculative investment alive.

Quite apart from the fact that many people question whether such speculation is consistent with land policy and forward planning, some fundamental and far-reaching problems are being visited on Aberdyfi and, I am sure, many other constituencies.

When those plots are developed, they will kill off Aberdyfi as a village, a village that we all know and love. Its charm and immense character will dissipate overnight. Such a situation is a block to the sensitive and sustainable development that planning law and procedure should nurture. I say that because, in my experience, whenever

an application by a small-scale developer in south Meirionnydd is turned down, one of the reasons which always crops up is that there are already X number of planning permissions for building plots in the locality. The vast bulk of those would, of course, be the permissions on Copper Hill street in Aberdyfi. That is a classic catch-22 situation. We have heard a lot of Joseph Heller recently, and this exemplifies that. One can argue that such a development not only is harmful per se, but is hampering the proper and sensitive development of an area.

Furthermore, it is settled law that a planning permission, once commenced, cannot be abandoned by a non-user. My Bill seeks to deal with that matter. There would, as at present, be an initial five-year term in which to undertake a development, but if the developer has done nothing, or has simply complied with section 56 of the 1990 Act, they would have to reapply after five years to the planning authority, which will examine the application on its merits, question the delay in fully developing, and then issue a fresh permission strictly limited in time. If the development is not fully completed within that time scale, the permission should expire. That would ensure that there is better control of local authority planning policy and it should prevent a recurrence of the Aberdyfi example.

I further pray in aid a speech reported in *Hansard* on 4 April 1968, when the then Minister of State said:

"there is no bar to renewal of the permission. I accept that cases will arise when, for perfectly good reasons outside his control, the owner will not have been able to start his development within the expected time. It may be due to a falling off of demand in the area . . . it may be due to difficulties over capital, although if that is so, it does not necessarily follow that he should get an extension, for it may be that he ought to convey the land to somebody who is able to develop it—if it is land which ought, according to proper planning needs, to be brought forward earlier for development."—[*Official Report, Standing Committee G*, 4 April 1968; c. 956.]

That could almost be part of today's script. Unfortunately, that declaration of intent was not followed in practice.

The Campaign for the Protection of Rural Wales fully supports the Bill. The second main change which I seek would assist many communities throughout Wales, Scotland, Ireland and England, which are in difficulty because villages are dying. They have lost local amenities and basic services such as the local school, the post office, the village shop and the garage. That problem was recognised by the House recently when we legislated to allow rate relief for rural retailers. That is a welcome move, but further steps must be taken.

A factor which undoubtedly exacerbates the problems is the preponderance of second homes and holiday dwellings. They are socially divisive and are empty for most of the year: hence they are of no benefit to the community. They do not assist the viability of village retailers, because their occupants are there for only a few weeks or months of the year.

Such properties also bring certain social problems: the usual scenario is that they are purchased by those who can, by definition, afford a second home, which often means that they are earning many more times the average salary of those in the local community. They are able to pay the asking price without quibble, and locals are left in the wake wondering when, if ever, they will be able to enter the property market and buy a house in the community in which, often, they were born and brought up.

There are villages in Kent, Somerset, Cumbria and all over the UK where that problem is evident, but in Wales it has an added dimension because it directly dilutes the indigenous culture and language, which is a great source of concern to all who hold them dear.

My answer would be a register of second homes in every rural community, and a limit on such homes of 10 per cent. of the available housing stock. That would be possible through an amendment to the use classes order, so that, when a full-time residential property is intended to become a second or seasonal dwelling, it shall require planning permission.

As I recall, the problem and that solution were canvassed by the Select Committee on Welsh Affairs in its report on rural housing three and a half years ago. I repeat the call for that solution, which is a straightforward, honest and open approach. A prospective purchaser would know whether a community had reached 10 per cent. of its quota because he or she would obtain information from the local authority, and that would be that. Villages can thrive and sustain themselves only if part-occupancy is limited. It is tragic to see villages where only half a dozen local families live year round.

Finally, in true Welsh Methodist minister mode, I come to the third head of my sermon. I consider that a neighbour whose strong views are given to a planning authority should have a third-party right of appeal in the planning process where there is a prima facie case for that. The wheat can be separated from the chaff by making it necessary to have leave to apply in each case. I know that that works perfectly well in many other jurisdictions—for example, in Ireland. I hope that it can be introduced within the United Kingdom jurisdiction.

Those three matters have concerned me for some time and I have viewed them both as a lawyer in the field and as a Member of the House. I therefore commend the Bill to the House and trust that it will receive the support that it deserves.

Question put and agreed to.

Bill ordered to be brought in by Mr. Elfyn Llwyd, Mr. Dafydd Wigley, Mr. Ieuan Wyn Jones and Mr. Cynog Dafis.

Town and Country Planning (Amendment)

Mr. Elfyn Llwyd accordingly presented a Bill to amend the law with respect to town and country planning: And the same was read the First time; and ordered to be read a Second time on Friday 3 July, and to be printed [Bill 180].

Orders of the Day

Finance (No. 2) Bill

(Clauses 1, 7, 10, 11, 25, 27, 30, 75, 119, and 147)

Considered in Committee [Progress, 27 April].

[MR. MICHAEL J. MARTIN *in the Chair*]

Clause 1

RATE OF DUTY ON BEER

Question proposed, That the clause stand part of the Bill.

3.44 pm

Mr. Nick Gibb (Bognor Regis and Littlehampton): On a point of order, Mr. Martin. During yesterday's debate on clause 30 and discussion on amendment No. 2, a Labour Member said that the statutory instruments relating to clause 30 were available and asked whether I had seen a copy. I had not, and I raised the matter as a point of order at the end of the debate on clause 30 because no copies of those statutory instruments had been deposited in the Library yesterday; nor were they available in the Vote Office.

The Paymaster General responded later by saying:

"We have checked what happened—they were placed in Derby Gate, in the House of Commons Library and in the House of Lords Library. We are not sure why they were not there when he looked for them".

The Paymaster General went on:

"I reassure him that we have arranged for additional copies to be deposited—no doubt he will be able to collect them after the Division."—[*Official Report*, 27 April 1998; Vol. 311, c. 109.]

I was not able to collect the draft regulations after the Division, and I was not able to collect them this morning. I have just been to the Library and they are still not there, and they have not been deposited in the Vote Office.

This is contempt not only of this Committee and the House, but of the wider public who are waiting to see the contents of the regulations before they are debated. The documents should have been available before yesterday's debate, and they are not even available now.

The First Deputy Chairman of Ways and Means (Mr. Michael J. Martin): That point of order relates not to the business before us, but to past business. However, the Minister will have heard the hon. Gentleman's remarks and will no doubt find ways to rectify the matter.

The Financial Secretary to the Treasury (Dawn Primarolo): May I deal with the point of order first? The hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) raised a point of order yesterday, and it was explained to the Committee that copies of the draft regulations were placed in Derby Gate, which is where they are, and in the House of Lords Library—they are there also. Four copies were deposited in the House of Commons Library at 3.30 pm on Friday.

I cannot explain why all the copies went missing from the House of Commons Library, but they were deposited, and the Government are not treating the House with contempt. Extra copies have been placed in the Library. I apologise to the hon. Gentleman for the difficulties that he is experiencing with the Library in respect of these draft regulations. I shall ensure that we find out exactly why this has happened, as the hon. Gentleman should be given an explanation.

Draft regulations are slightly different in that they have no reference number and hon. Members must ask correctly for the specific item. However, the draft regulations are there for scrutiny. If the hon. Gentleman was so desperate, he could have gone to Derby Gate, as the documents are certainly there as well—*[Interruption.]*

The First Deputy Chairman: Order. Hon. Members should not intervene. An explanation has been given, so we must now get on with the business before us.

Dawn Primarolo: Clause 1 will increase the rate of duty on beer in line with inflation from 1 January 1999. The rate will increase from £11.14 to £11.50 per hectolitre per cent. of alcohol in the beer. The change does not represent a increase in real terms, but is needed to maintain revenue. Between January 1994 and January 1998, beer duty fell by 6 per cent. in real terms, and it is now at its lowest level in real terms for 15 years. The increase will prevent a further erosion of revenue in real terms.

Several hon. Members are keen to speak in the debate. I shall listen carefully, and reply to any specific points.

Mr. David Heathcoat-Amory (Wells): Today's debates will generally be about items that make life a little bit more enjoyable—not just beer, but tobacco and gambling. However, the Government seem to regard those items less as a source of pleasure than as a source of revenue. In a savagely tax-raising Budget and Finance Bill, the Chancellor could not resist raising almost all such indirect taxes by the maximum amount that he thought he could get away with.

I must declare an interest in beer, as I am a member of the parliamentary beer club, which has a distinguished patron—Madam Speaker. Perhaps you, too, are a member, Mr. Martin? I am delighted that you are. It is the biggest, or best attended, of all parliamentary clubs, so there is a great deal of expertise about beer—and, perhaps, considerable alarm about the increase in duty. We accept that it is not a real-terms increase, but it will nevertheless be damaging, for reasons that I shall outline.

The background to this nominal increase is a worsening of smuggling and excise fraud, persistent problems that I do not claim have arisen over the past year or two. The origins of smuggling lie far back in time, when, for various reasons, the United Kingdom had a structure of excise duties that were comparatively high against those of our continental neighbours, which relied on raising equivalent revenues by other means.

Whatever the reason, there is a substantial gap between the rate of tax on beer, and most other alcoholic duties in this country, and the rates prevailing on the continent, particularly in France and Belgium. That encourages people to go over to those countries to do their shopping—quite legitimately. There is some entirely legitimate cross-border shopping, and an increasing problem of smuggling and excise fraud. The two are linked, but distinct, phenomena.

The previous Government moved to ameliorate the problem. The substance of our charge is that the present Government, through not just this year's but last year's Budget, are making it worse. That is why we have tabled amendments intended to delete the increase.

The single European market creates, in effect, an open border. The legitimate trade, in Calais typically, but also in other continental shopping centres where people buy large quantities of drink—and tobacco, which we shall debate later—has created a huge retailing business in France. We are not just talking about retailing, however. Shoppers going abroad often buy drinks—beer, in this instance—that are not manufactured in this country. Those people are responding to a market signal. The Labour party, which now believes in market economics, cannot be terribly surprised when people respond to cheaper prices and lower duty rates on the continent. The United Kingdom beer tax is 32p in the pound whereas in France the equivalent rate is 5p, and that difference drives the huge and increasing habit of cross-border shopping.

There are two solutions. We can restrict the amount that people can bring into this country, which is not possible under the rules of the single market, which we support, or we can reduce the high rate of duty. That cannot be done quickly or easily and it does not need to be done completely. No one suggests that duty rates should be standardised, but somehow the clear incentives must be tackled.

Mr. Ross Cranston (Dudley, North): If the amendment is carried, how will the revenue gap be filled? The real value of beer duty is lower than for 15 years, partly as a result of the single market.

Mr. Heathcoat-Amory: In debates on the Finance Bill last year, the hon. Gentleman gained the reputation of making helpful interventions, and that one is no exception. I shall explain exactly why the Government can afford not to increase duty this year, contrary to the situation that we faced in government.

The hon. Gentleman will recall that, in the previous Parliament, the Conservative Government faced a persistently high—in some ways, alarmingly high—budget deficit. Nevertheless, we managed to freeze alcohol duty, and in our last two years in government we cut the duty on spirits. This Government face a different situation. The rates of duty are to come into effect on 1 January 1999, and in the financial year on which we have embarked the Government envisage a large budget surplus.

The comment by the hon. Member for Dudley, North (Mr. Cranston) about the low proportion of duty ignores the fact that there is still a gap between continental and United Kingdom duties, and that that is driving the phenomenon of massive cross-border shopping and the smuggling and other illegalities on which I shall shortly enlarge. There is a problem, and it is no defence to say that the proportion of duty on a pint of beer is lower than it was before. If the hon. Gentleman thinks that there is not a problem, he should talk to publicans and owners of off-licences in his constituency, who I think will tell a different story.

We attempted to tackle the problem. We froze the duty and, over time, that would have led to erosion of the differential. The Government have increased duty in nominal terms, not just in the Bill but in last year's Budget. They are making a bad situation worse. There is a gulf which, if anything, is widening. Matters have got worse not just because of the Government's failure to pursue our policy of freezing duties but because of the strength of the pound, which is a potent element in the equation. A strong pound makes it even cheaper to buy drink in Calais and elsewhere. I could speak at length about the Government's responsibility for that, but perhaps that it is a topic for another debate. That problem, plus the duty differential, is creating a crisis.

I have spoken about cross-border shopping. The second major element is illegality, which hits legitimate trade in all our constituencies and means that often alcohol is sold in an uncontrolled way, perhaps to those under the legal drinking age. It has also contributed to the demise of the British pub. I do not want to over-emphasise that. I have been in politics too long to accept all lobbying comments at face value. Beer drinking is experiencing a secular decline, which cannot be attributed solely to the habit of buying drink abroad or from illegal sources. Marginal pubs, which are nevertheless socially important, are shutting. One reason is that they are undermined by illegal trade.

4 pm

An estimated 1.4 million pints of beer are brought across the channel every day. That amount is thought to be increasing. I cannot be certain about that, because the Government have not produced recent figures, despite promising to conduct a study.

That leads me to another Labour broken promise. This is quite a startling one, because it comes from the top—from the Prime Minister. He wrote in *The Licensee*, the main trade magazine, on 1 May 1997—a significant date—that the Government should

"initiate an urgent independent and comprehensive study, analysing the extent and effects of both smuggling and illegal cross channel shopping".

He also said:

"We are not going back on a single promise, not a single promise."

Well, he broke that one. He has not set up an urgent, independent and comprehensive study. Instead, a Customs and Excise study was announced in the pre-Budget report last November. That report is not available to the Committee.

I asked the Financial Secretary to publish the report. I received a written reply on 25 March that did not answer the question. She simply said:

"The Government will be taking action to clamp down on smuggling and fraud and . . . will announce their Proposals for doing this as part of the outcome of the Comprehensive Spending Review."—[*Official Report*, 25 March 1998; Vol. 309, c. 202.]

She said that nothing would be published before then. She did not say whether the study by Customs and Excise would be published and, if not, why not.

The Government have published a slightly hilarious document called "Your Right to Know". It was produced by the Chancellor of the Duchy of Lancaster and prefaced by the Prime Minister, setting out all sorts of wonderful ways in which the public—and presumably the House of Commons—would be better informed. In his introduction, the Chancellor of the Duchy of Lancaster says:

[Mr. Heathcoat-Amory]

"Openness is fundamental to the political health of a modern state."

He also says:

"It is a new balance with the scales now weighted decisively in favour of openness."

The Prime Minister talks disparagingly about the traditional culture of secrecy and how all that will be broken down by giving people the legal right to know. Of course, that was all just waffle.

Mr. Cranston *rose—*

Mr. Heathcoat-Amory: I am sure that the hon. Gentleman wants to be helpful again.

Mr. Cranston: I thank the right hon. Gentleman for giving way yet again. I should like to be helpful. Will he support the freedom of information legislation?

The First Deputy Chairman: Order. We shall not go as far as to debate any freedom of information legislation that might be brought before the House. We shall stick to the clause.

Mr. Heathcoat-Amory: I shall obey you, Mr. Martin. I should love to give the hon. Member for Dudley, North his answer. When we see the Bill, I shall tell him whether we will support it.

The Government have published an expensive glossy saying that we all have a right to know. It is obvious that we have a right to know only what the Government think that we ought to know. Although the smuggling and illegality in the smoking and drinks trade are important matters that concern the Committee, we clearly have no right to know the conclusions of the Customs and Excise review.

That would not matter if the Prime Minister had kept his promise and initiated that

"urgent, independent and comprehensive study",

which would not be conducted by Customs and Excise because, although it is a splendid department, it is part of the Government. This is a particularly stark example of a promise being broken by the Prime Minister that is very much to the detriment of the House. It will impoverish our debate on this important subject.

I return to the amendment before us. The point which I wish to leave with the Committee is that, although we recognised in government that there was no quick fix in this respect, we nevertheless recognised, in freezing duty on beer, that the gap between duties had eventually to be closed. As an interim measure, when I was doing this job in the Treasury, I committed additional resources to tackling smuggling and illegality on the ground. That was never going to be a substitute for tackling the causes of crimes.

When in opposition, the Prime Minister used to talk about tackling not just crime but the causes of crime. As the great economist Adam Smith first pointed out, smuggling is largely a crime induced by the Government. If they establish through the taxation system a clear incentive to smuggle, they can hardly be surprised that people take advantage of it. The only solution is gradually to move in the direction of continental rates of duty. As a very large budget surplus looms, this Finance Bill is a very good opportunity to make such a move.

I know that one or two of my hon. Friends wish to contribute to the debate, so I simply urge the Committee to support the amendment.

The First Deputy Chairman: Order. Perhaps the right hon. Gentleman is mistaken; there is no amendment before the Committee. He was speaking to clause stand part.

Mr. Heathcoat-Amory: I apologise, Mr. Martin, although the effect will be the same if we vote against clause stand part.

Miss Anne McIntosh (Vale of York): I hope that my comments will be helpful to the Government but will support the remarks of my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory).

I am concerned about the problems of bootlegging—otherwise known more politely as smuggling—which are not addressed in clause 1. The differentials between duty paid in this country and in other European Union member states invite people to smuggle on an increasingly large scale. The worry for the Financial Secretary to the Treasury must be that the loss of revenue to the Treasury is as high as it is. From the figures that I have, I believe that revenue to the Treasury would increase if rates of duty went down and volume of sales in this country correspondingly went up. In addition, the costs of the increased number of Customs and Excise agents used to apprehend suspected smugglers would be saved. I know that we are still waiting for proposals.

Dawn Primarolo: So that I do not misunderstand the hon. Lady's point, will she say whether the economic model to which she is referring is the Oxford model commissioned by the Brewers and Licensed Retailers Association? Knowing that will help me in my response.

Miss McIntosh: I might need to do some more research, but from work which I did earlier, I understand that the loss of revenue to the Treasury is £978 million—regardless of the cost of the agents whom the Government are minded to introduce to apprehend smugglers.

I am also concerned that, at this quite late stage of the British presidency of the Council of Ministers, the Government are so far not using their office to act to remove the distortion of trade and competition caused by divergence between rates of excise duty in different member states. I understand that the Financial Secretary or her colleagues could instruct the Commission to prepare a report that the Council could discuss. Without that instruction, the Council is open to a charge of neglect of duty, because it is obliged to report every two years on the distortions to competition and trade caused by the differentials in duty.

The rates of duty paid in the UK distort the market in drinks—particularly wines, beers and spirits—between the UK and other European Union countries. I understand that Customs and Excise admits that, if it is lucky, it catches only 5 per cent. of suspected smugglers. There is a huge loss to the Revenue in terms of excise duty, but

there is also a large cost to the Treasury of employing existing Customs and Excise agents and any future agents yet to be appointed.

It seems odd that the approach of the Government discriminates against home-produced wines, beers and spirits. I regret the fact that clause 1 refers only to the problem of wines. I wish to give an example from this year's statistics on Scotch whisky. The excise duty on a 70 cl bottle of Scotch whisky—which costs £10.70—is £5.48. The VAT is £1.59, making a total tax of £7.07—66 per cent. of the cost of the bottle. That means that Scotch whisky is taxed more heavily than any other alcoholic drink—particularly with regard to alcoholic volume.

The First Deputy Chairman: Order. Perhaps I may remind the hon. Lady that we are dealing with beer duties. Perhaps she could talk about them, because there are problems there as well.

Miss McIntosh: I am most grateful for your guidance, Mr. Martin, but the point which I am trying to make is that clause 1 should address excise duty charged on the alcohol content of each alcoholic drink. I am against clause 1 because it fails to do so. The duty charged on beer, wines and spirits is higher in the UK than the duty charged on any other European Union-produced products in their own country. The Government are directly discriminating against our own products in their home market, so I cannot support clause 1.

Mr. Edward Davey (Kingston and Surbiton): All of us would want to claim some expertise in this area. As a new Member of Parliament, find the temptation to list all the wonderful pubs and publicans in my constituency almost too great to resist. However, I am sure that you would intervene, Mr. Martin, and call me to order should I do so.

I want to address the main point of principle. The issue for any Government setting excise duties for beer—and other alcohol or tobacco products—is to try to strike a balance between the need to raise revenue, the need to ensure that health and social issues are properly dealt with, the need to support the strength and well-being of the industry, and the need to prevent too great incentives for smuggling.

The Government have got it right in the Bill. There is a very modest increase nominally—which is not an increase at all in real terms—and a very small amount of revenue is being raised. On balance, the Government have got the different factors right.

There are concerns on the health and social side which can be tackled in a number of ways, one of which is price. If we saw a significant reduction in alcohol duties—which seemed to be the implication of the proposals from the right hon. Member for Wells (Mr. Heathcoat-Amory)—there would be worrying side effects in terms of alcohol consumption, particularly by young people. We need to bear that in mind. However, there are other ways in which to pursue those health and social objectives. I hope that the Government will examine them.

In my short time as Member of Parliament for Kingston and Surbiton, I have noticed some problems in the licensing laws. This matter does relate to the clause, Mr. Martin, because it is one alternative to seeking higher increases in duty. In Surbiton, a rash of new pubs has opened. The local authority, magistrates and local police have opposed the granting of the licences. The Government inspector, sitting in Bristol, far away from Surbiton high street—*[Interruption.]* The Financial Secretary to the Treasury seems to be concerned. This is not an anti-Bristol, but an anti-licensing regime, point.

As the Government inspector was in Bristol, clearly he had no idea of the impact on the local community of that significant increase in a short period in the number of pubs in Surbiton's high street. Elected representatives in Surbiton were well aware of that impact and, working with police and magistrates, wanted to reduce the significant increase in licensed premises because of its bad social side effects.

4.15 pm

The Government do have other powers open to them, should they wish to use them. I urge them to examine the licensing regime, to give local representatives and local magistrates working with the local police more powers to intervene, and to ensure that those powers cannot be overridden by a faraway, unaccountable Government inspector, who does not know the local position and cannot react quickly to it.

Smuggling is the other issue that the Government have to balance in deciding what the duty should be. We have heard much about that, and I am sure that we will hear more from right hon. and hon. Members who are yet to speak, but the question that we have to debate is whether the current duty level has caused the alleged increase in smuggling, whether there are other causes and, most important, whether a significant reduction in alcohol and tobacco excise duties would lead to an increase in revenue.

That has been the contention of some hon. Members, particularly those who spoke on Second Reading. They would need to show two factors before they could defend their case: first, that there was mass evasion, to the effect that revenues were seriously undermined, and therefore that a reduction in duties would make good those revenues; and, secondly, that attempts to persuade European Union partners to level up duties had been completely exhausted. Indeed, there is a third factor: they would need to show that there were no alternative measures that Her Majesty's Treasury could implement to tackle smuggling, such as reorganisation of Customs and Excise.

For this debate, I have considered the evidence produced in parliamentary answers from the Financial Secretary and in other papers available to hon. Members. It is clear that the estimate of the amount of revenue that has been evaded by cross-border shopping and lost because of smuggling is very small. Indeed, the estimate seems to be much smaller than that of the losses from evasion of other taxes. Government estimates for 1997 show that, in total, £165 million was evaded and that £120 million was lost. Those figures were reached by using new estimating procedures, which are run jointly with the industries in Great Britain, so the figures are not disputed by them.

Mrs. Jacqui Lait (Beckenham): I am interested in those figures, which are the lowest that have been produced for a long time. Where did the Treasury get them?

Mr. Davey: The House of Commons Library took them directly from estimates published by Customs and Excise,

[Mr. Davey]

based on surveys and estimates made jointly with the industry. If the hon. Lady disputes the figures, I am more than happy to hear what she has to say.

Beer duties represent about 3 per cent. of the total revenues from excise duties, which is a very low figure. Those who want to slash the duties must provide more convincing figures, which I do not believe are available.

For the benefit of France and other European Union member states, the Government should try to persuade them to level up their duties. That would also have an effect.

Mr. Heathcoat-Amory: Dream on.

Mr. Davey: The right hon. Gentleman may be sceptical, but I still think that that avenue is worth pursuing. Perhaps, with the much warmer relations that the Government claim to have with our European partners, they will have more success than their predecessors.

Mr. Nicholas Soames (Mid-Sussex): Where does the hon. Gentleman propose raising the revenue shortfall that would accrue from the transaction?

Mr. Davey: I do not believe that there would be a revenue shortfall from what I am proposing. My proposal was that France should raise the duties on beer.

Mr. Soames: It will not.

Mr. Davey: The hon. Gentleman may say that it will not, but it is for this Government to see whether they can be more successful than the Conservative Government. We have yet to find out.

I read with interest the Alcohol Concern report "Who Creates the Bootleggers' Profits?". Before the industry can lobby effectively for significant reductions in alcohol duties, it will have to answer some of the points that are well set out in that research paper. Alcohol Concern research conducted this March comparing the different prices charged in supermarkets and off-licences in Dover and Calais showed that there was a 21p price difference on a unit of alcohol for beer, of which 9p could be put down to differences in duty, but of which 12p apparently related to differences between the industries in France and in Britain.

The difference is partly explained by the way in which beer is sold in Calais, where there is a "pile it high, sell it cheap to the day trippers" mentality. It would be possible for enterprising people in this country to pile it high and sell it cheap in a warehouse in Dover. They would not have the 9p price incentive to add to the 12p differential that is caused by our industry's inefficiencies, but there is still a margin that they could arbitrage away. The industry still has a case to prove.

That does not mean that the Liberal Democrats do not take smuggling seriously. It is illegal and has bad effects, because unscrupulous individuals who break one law are likely to break others by selling alcohol to minors and engaging in other dangerous activities.

Rather than merely cutting duty, which is a simplistic approach and may not be effective, the Government should consider changes in Customs and Excise. In a press release in September last year, the Economic Secretary talked about some of the extra resources that she had allocated to Customs in Dover. That was welcome, as there are clearly problems in Dover, including a lack of space to expand the facilities, which is a logistical problem which I hope Customs and Excise management can address. I hope that, when the results of the comprehensive spending review come out, we can go much further.

I am not an expert in the managerial structure and operational routines of Customs and Excise, but from first principles, one imagines that Customs and Excise has a tradition in history of operating purely out of the ports—coastal ports and airports—and that its organisational structure has been biased towards tackling smuggling at the ports. That is probably a different culture from that which exists on the continent. Our partners on the continent have long land borders and they are much more used to exercising anti-smuggling measures inland. I suggest to the Financial Secretary that there may well be some benefit in seeing whether Customs and Excise can redirect some of its efforts to tackling smuggling inland. I hope that it does that in any case, but the extra marginal investment in its services may be best directed to internal controls.

For all the reasons outlined, I feel that what is before us in clause 1 is a modest increase. The problems that need to be tackled in setting alcohol duties—health and social problems, and smuggling—can be tackled in other ways. Therefore, Liberal Members will support the Government if the Committee divides.

Mr. Archie Norman (Tunbridge Wells): I, too, want to talk about beer duty but, before doing so, I remind members of the Committee that I have an interest in the matter as chairman of a supermarket group responsible for a large proportion of the legitimate beer sales in this country. The issue at hand is not the interests of large supermarkets or, for that matter, large brewers. It is very much a question of the little guy, the small independent retailer, the small pub and the small brewer. It is a question of the British pint—part of the British way of life—and the price of that pint to ordinary working people.

We are looking not only at an excessive tax on the daily fare of ordinary working people but at a broken promise. My right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) quoted the Prime Minister. I have another quote from the Prime Minister. In May 1997, he wrote:

> "Labour accepts that there is a problem and that the Government should act urgently to strengthen Customs and Excise, tackle the illicit sale of contraband, stand up for UK consumers, jobs and businesses when rates of duty are considered by the European Council and initiate an urgent independent and comprehensive study".

As my right hon. Friend said, the study may have been initiated, but we have not seen much by way of the outcome. I hope that the Financial Secretary will tell us exactly when she expects the study to be published. Perhaps she would be kind enough to give us some insight into its content. There is widespread suspicion in the industry that the content is unhelpful to the Government's case, and that that is why it has not been disclosed.

The fact is that it is a bad tax. The motivation for the tax is entirely driven by revenue income. That, in and of itself, is not a sufficient reason for taxing a specific good or product. The tax is exploitative, selective and there for the wrong reasons.

The Financial Secretary has already made a minor announcement about strengthening the fines and the actions that can be taken against offenders in instances of smuggling. That announcement is welcome, but it tackles only the tip of the iceberg. The fact is that the sheer profitability of smuggling has increased enormously in the past year as a consequence of the increase in beer duty and the increase in the value of the pound. It has become a large-scale industry for organised crime, and is also profitable for the little guy and the small-time smuggler.

The impact has now gone beyond a level that is sustainable. That is the issue. The question is not whether there should be duty but what is a sustainable long-term level of duty. The hon. Member for Kingston and Surbiton (Mr. Davey) has already mentioned the estimates for loss of revenue. My estimates, published by the Government, are rather different from his, and I know that some of my hon. Friends have different estimates again. However, as I recall, including duty-paid imports, the Treasury is losing half a billion pounds of duty and VAT revenue every year, according to its own figures. I believe that the figures from HM Customs and Excise show a visible loss of £300 million. I shall be corrected by my colleagues if that is not right.

Mr. Edward Davey: Are those the total figures for alcohol and tobacco? The figures that I quoted related to beer, with which the clause deals.

Mr. Norman: The hon. Gentleman may correct me, but I understand that the total figure for alcohol and tobacco—£960 million—is greater. We are talking about rough estimates; it is not possible to estimate the true loss as a result of contraband sales, because the only reasonable way to do so is to estimate the amount of smuggling. I am advised by my friends in the brewing industry that the best way to do that, is to count the white Transit vans coming off the channel ferries, which would be an inexact science.

Dawn Primarolo: If that is the most effective way to assess the amount of smuggling, why did not the previous Government do that, and why did they not agree with the trade's figures?

4.30 pm

Mr. Norman: The Financial Secretary makes the important point that the profitability of smuggling has increased enormously in the past year. The actions of the Government in respect of macro-economic policy, the level of the pound and the increase of duty have greatly worsened the impact on the industry. She is a member of the Government, and it is up to her to explain to hon. Members how to count and measure the loss to the Revenue before assuming that it is not great.

Mr. Derek Twigg (Halton): Can the hon. Gentleman tell us how the previous Tory Government helped the situation by cutting severely the number of customs officers?

Mr. Norman: The hon. Gentleman knows that the previous Government intended to freeze duty on beer and reduced duty on spirits—there was an attempt to tackle the problem. No one is saying that it could be resolved easily because it is complex, but it has gone beyond a sustainable level and a judgment must be made about what level is sustainable.

Various economic models, such as the Oxford one, have been mentioned. The Financial Secretary, if we might have her attention for a second, has explained that, in her judgment, that model does not prove that there would be material short-term loss of revenue as a result of the increase in duty, but this is not a short-term problem—it is a long-term problem that is growing rapidly.

As so often in Government dealings with business, the long-term effects are widely misunderstood. They are: decline in investment in the United Kingdom brewing industry, especially among small brewers; decline in the number of pubs and therefore in the capacity to sell British beer at full-paid duty; reduced availability of full-paid duty beer in this country; and changed drinking habits, because the switch in price and value means that it is cheaper to import foreign beer. A lot of contraband beer is foreign, which is tipping the scales against the British industry.

Mr. Cranston: Can the hon. Gentleman explain why the previous Government increased the rate on beer in 1995 after they lost the VAT on fuel decision? Does the logic of his argument favour a uniform European Union duty on beer?

Mr. Norman: The best response to the hon. Gentleman's latter point is to acknowledge that, as long ago as 1992, the members of the EU agreed that alcohol taxation across the EU should move towards the reference rate of 8p a pint. Labour Members keep referring to the previous Government, but the problem has been exacerbated greatly in the past 24 months by the increase in the value of the pound and by the increase in beer duty—it has gone beyond a sustainable level.

Mr. Christopher Leslie (Shipley): To clarify that point, will the hon. Gentleman cite, with chapter and verse, the source of his information on developments over the past few months?

Mr. Norman: My information comes from real life: I have talked to brewers and pub owners; I have listened to what the Government and the hon. Member for Dudley, North (Mr. Cranston) have said, and quoted it back to them. I have also looked at the Oxford economic model and other economic models—something that I strongly commend to the hon. Member for Shipley (Mr. Leslie), because, if he read them, he would become better informed on the subject.

The subject is easy enough to discuss in the ivory tower of the House of Commons, but in the pubs and off-licences and on the streets of Britain, it is affecting ordinary working people and their way of life. I recommend that Labour Members leave their economic models and get to grips with the people outside who are attempting to buy the ordinary British pint for an honest price. [*Interruption.*]

Mr. Andrew Robathan (Blaby): Is it not strange that Labour Members laugh when they hear that my hon. Friend gets information from real life, instead of from the smoke-filled rooms of Labour party politics?

Mr. Norman: It is not strange at all, because the facts of real life are often inconvenient to those in government, as the Labour party is now discovering.

[Mr. Norman]

The other salient fact to bear in mind is that ours is the only European Union country that suffers on such a substantial scale from the problem of smuggling and contraband. The reasons for that are: the disparity in duty is great; enforcement has been ineffective in the past; and the logistics of bringing product across the channel are far easier to handle than they would be in, say, Ireland, where the levels of duty are also extremely high.

Mr. Derek Twigg: Can the hon. Gentleman quote figures on smuggling in other European nations, given that they are so different from UK figures?

Mr. Norman: The hon. Gentleman will know that we discussed earlier the fact that reliable published statistics are not readily available; however, that there is a problem is well known. The hon. Gentleman may wish to discuss the issue with representatives from the Irish brewing industry.

Any brewer in the country will say that the industry is under attack because of the growing volume of imports resulting from the escalation in the value of the pound and the effect of increased smuggling and contraband. That is not a small effect, even though Labour Members think it trivial and the hon. Member for Kingston and Surbiton tries to explain that it does not cost the Treasury much. It is estimated that 15 per cent. of all the beer sold in the off-licence trade in Kent is contraband, and that that volume is growing at approximately 15 per cent. a year; compounded, that figure will double in five years.

When looking at economic models, what we have to worry about is not what happens today, but what will happen if the trend continues. In her response, the Financial Secretary might like to tell us not only whether the Government are prepared to reconsider the most recent increase in duty, but what their intentions are in respect of further increases in duty in years to come.

Mr. Barry Gardiner (Brent, North): Given that, at 30 per cent., the percentage of the price of a pint of beer that is taken in tax is now lower than at any time in the past 30 years, does the hon. Gentleman agree that the explanation for the rise in smuggling—which is a major problem that we all recognise—must therefore be attributed to some other cause than the duty on beer?

Mr. Norman: No, I do not agree with that. As a shopkeeper, I must advise the hon. Gentleman that he cannot bank percentages; what he can bank is pound notes. It does not matter what the percentage is: if the pound note profit is higher per Transit van-load of contraband, the exercise is more profitable. The costs have not risen greatly, but the benefits have increased considerably. As I said, it is estimated that the benefits are to the tune of £600 per white Transit van coming off a cross-channel ferry.

The profits have risen considerably over the past year, as they have done over the past five years. The problem is now out of hand and is having a long-term corrosive effect on a British industry that is worth protecting because it is part of the British way of life. In a sense, smuggling has also become part of the British way of life: it has become what is popularly called yellow-line crime and is widely participated in.

The number of people employed and engaged in crime as a result of the duty is great, and smuggling has become semi-legitimised in some communities and certain sections of British culture. It is contributing, on a widespread basis, to the growth in under-age drinking, because, inevitably, small retailers who knowingly sell these goods are also prepared to sell to those who are under age. Labour Members have confirmed that they are worried about that issue.

Contraband goods are now so widespread on the street—I assure the Committee that it is the case in any retail community, especially around Christmas—that small shopkeepers, to be price-competitive on beer sales, often feel that they must handle contraband. Many of those small businesses—in the north, in Scotland, in Liverpool, in the Manchester conurbation or in Yorkshire—are already under pressure to survive, and to keep themselves going and keep themselves price-competitive they must handle contraband. The level of duty is effectively pushing people into a form of yellow-line crime.

Mr. Cranston: Is the hon. Gentleman making the accusation that many small shopkeepers in this country are handling contraband?

Mr. Norman: The hon. Gentleman makes a very good point for me; welcome to the problem. Anyone who has been out on the street buying alcohol in the run-up to Christmas, dealing with small shopkeepers, talking to people in the industry about where the product comes from, knows that that is the case. Shopkeepers are obliged to take that route to stay in business. Because up to 15 per cent. of alcohol sold in the Christmas period comes in through contraband sources, if those shopkeepers did not do so, they would no longer be price-competitive. It is a very serious problem on the street but, if the hon. Gentleman recognises it, perhaps we are at last starting to get to grips with it.

Smuggling is becoming large-scale crime. It is acknowledged by Customs and Excise that the organisation of smuggling is now a large-scale business, which is contributing revenue and profits to the coffers of people who otherwise handle drugs and other more serious products. The profitability of large-scale crime is being fuelled by very high duty and a failure to enforce the Customs and Excise provisions.

Mr. Edward Davey: I am delighted to hear the hon. Gentleman say that. I am glad that we are getting to grips with the issue. Will he tell us his proposals and by how much he wants to slash duty?

Mr. Norman: I thank the hon. Gentleman for his question, but I am coming to that point shortly and I shall address it in a moment.

I do not want to leave this point without telling the Committee that I know, having worked in the industry and spoken to people who handle the product, that this is a widespread, well-known situation throughout the wholesale and retail industries. Moreover, figures for the growth—or lack of growth—in sales of British product show that supply is being eroded by competition from foreign imports, which cannot be sufficiently accounted for by legitimate imports.

It is well known, and I know from our experience, that, in the run-up to Christmas, it is possible to buy, at very low prices, not white Transit van-loads but lorry-loads of contraband—spirits as well as beer. Whisky may be bought for £5 a bottle. It is an extremely serious problem, not to be taken lightly, and has a widespread effect on the structure of the industry and the nature of price competition.

Among the side effects of the problem are that competition in the beer industry is geared to price, and that people are investing less money in the quality and diversity of British beer. It has a corrosive effect, not just on society and on pubs and off-licence outlets, but on the nature of the products that the industry invests in.

It is also well known that a large proportion of contraband never leaves the country. That can happen only when the crime is widespread and highly organised. The estimated figures on white Transit vans take into account only what is known to come back into the country. What never goes out does not come back in and cannot be counted, and there are no reliable estimates, but wholesalers and retailers throughout the country know that the scale of the problem is now so great that it is obvious to anyone with their feet on the ground who deals with the industry that a significant proportion of the product now never leaves the country. We are dealing with widespread fraud, which requires a far firmer response than greater fines for white Transit vans and proposals to confiscate vehicles, because vehicles that never left the country and never came back in cannot be confiscated.

This is not an issue of whether duty should be levied. It is an issue of the level of duty that is sustainable, not in the short term—not just for the Oxford economic model—but in the long term. It is a question of whether we should support the industry. Should we support the British pub, especially the little guy—the independent? Should we support the small brewer? Should we support the small retailer? The big retailers can handle anything; we can compete despite the problem. It is the little guy who is penalised by excessive Government interference, regulation and taxation, and the little guy is being penalised by this increase in duty.

It is not just a question of fighting fire with fire—of fighting excessive duty with excessive regulation and excessive penalties. It is a question of recognising when the tax has gone far enough. Enough is enough. This is a bad tax. It has gone too far. It is not working, and the increase should be reversed.

4.45 pm

Mr. Soames: I shall be brief. I congratulate my hon. Friend the Member for Tunbridge Wells (Mr. Norman) on his excellent speech. I was shocked by the incontinent and wanton levity that some Labour Members showed toward what is not only a serious commercial problem but becoming, as my hon. Friend rightly said, a moral hazard.

It ill becomes the House of Commons, which has always been a gathering from every part of the land, from every interest and from every position of life, if its Committee does not listen carefully to someone who has run, with tremendous success, one of the biggest retailers in the country and who has a great and profound understanding, not only of the consumer's requirements and wishes, but of the difficulties that arise in putting together a pattern of legislation that enables us to have a fair system. I whole-heartedly congratulate my hon. Friend on his admirable presentation.

The interests of the much smaller brewers are often trampled, especially in the House and by the Labour party. I speak from experience of my part of the south of England, which my hon. Friend the Member for Tunbridge Wells knows well and which the Financial Secretary also knows very well, because she is the distinguished alumnette of an excellent school in my former constituency and well knows the two breweries in the south of England, King and Barnes in Horsham and Harvey's of Lewes. Both breweries have seriously suffered as a result of the increase in smuggling.

We definitely support any steps that the Financial Secretary is taking to be tougher on this issue. I acknowledge the fact that she is building on the achievements of my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory), the former Paymaster General, who was responsible for those matters, who, in a letter to my hon. Friend the Member for Vale of York (Miss McIntosh) last year, wrote of the steps that customs has taken

"to further improve the rate of detection"

at ports.

"These include a programme of enhanced training, improvements to intelligence systems, increased staffing levels . . . together with redeployment elsewhere to reflect more accurately the degree of risk in each area."

Without a shadow of doubt, the implementation of clause 1 will increase the amount of contraband smuggled into the country. The Financial Secretary knows that that is the case. It is pointless for Labour Back Benchers to talk about what the Conservatives did when we were in power; disappointingly, we are no longer in power. No doubt, when we were in power, we made many mistakes, but a Labour Government are now in power, and it is for them to resolve this tricky problem.

I shall make two or three respectful suggestions to the hon. Lady. First, the proper policing of the problem depends upon an increase in the amount of intelligence presented to Customs and Excise. My constituency used to comprise Gatwick Airport, and I know the work of Customs and Excise extremely well. I have immense respect for it: it is a remarkable uniform service whose officers do a very good job. Much customs work is based on intelligence, which is assessed and used wisely.

In this country, we have some of the best intelligence services in the world, and it might be worth while attempting to make available to Customs and Excise more intelligence facilities that will enable it to penetrate some of the large rings that are smuggling beer into Britain. My hon. Friend the Member for Tunbridge Wells was absolutely right: not just private individuals in white Transit vans, but gangs and vast organisations are involved in bringing in contraband, to the great disadvantage of companies such as the two brewers in the south of England that I mentioned.

That should be a matter of grave concern to the Government. We must not allow smuggling to become a way of life that is accepted as custom and practice. People should not think that smuggling the odd load in a Transit van is fair game. It is not; it is breaking the law, and it must be dealt with using the full rigour of the law. The Government cannot be allowed to say, "It is all very

[Mr. Soames]

difficult because we do not have enough customs people or the facilities to do it, and only the smaller retailers are damaged, so we don't have to worry about it."

I hope that the hon. Lady will pass on to Customs and Excise my admiration for the number of detections that it has made in the course of the year. However, much more illegal contraband is getting through than Customs and Excise can detect. We must do more. I suggest that more intelligence work should be done to penetrate those gangs. I know that Customs and Excise does a great deal of work in that area, but I should like to see more.

Secondly, I should like to see more customs officers deployed at Dover. It is not good enough for the Government to defend their deployment policies by claiming that they must maintain a balance between the various threats and risks to this country and to our integrity. The fact is that Dover is clearly under-resourced as far as Customs and Excise is concerned—even though I know that more people have been employed in that area.

As I said at the beginning of my speech, I welcome any measures—this is not a party political matter—that the Government may take to pursue this crime. However, they should not believe that they can brush the matter aside lightly. My right hon. Friend the Member for Wells was correct to suggest that duty should be frozen, because that would hold the duty imbalance at a lower level. Parliament should deplore and vigorously oppose anything that encourages the wanton increase of smuggling into this country. If it is not deplored by the House of Commons, where else will it be so deplored?

I whole-heartedly support the views expressed by my right hon. and hon. Friends. I hope that the Financial Secretary will consider extremely seriously the knowledgeable and expert speech by my hon. Friend the Member for Tunbridge Wells.

Mrs. Lait: Like my hon. Friend the Member for Mid-Sussex (Mr. Soames), I congratulate my hon. Friend the Member for Tunbridge Wells (Mr. Norman) on an excellent speech, which rehearsed all the issues in great detail and to great effect. He spoke with enormous authority. I also endorse the stand taken by my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) in opposing clause stand part.

I am known for supporting a reduction in duty as the only sensible solution to this problem. It was with shock that I noted the levity on the Government Benches when my hon. Friend the Member for Tunbridge Wells outlined some practical solutions to the problem. During debate last week on the Finance Bill, suggestions that the problem could be solved by reducing duty were also treated with levity.

I hate to remind the Financial Secretary of her words—which I fear will return to haunt her—in the debate on the Finance Bill on 23 January 1995, but she said:

"Beer smuggling is an enormous threat to the industry. It is a relatively new trade, if I may call it that, and we cannot estimate the extent to which the gradual build-up in the past 18 months has led to the undermining of the industry. The problems that are visible now are a fraction of the problems that will confront us in a few years' time if action is not taken."—[*Official Report*, 23 January 1995; Vol. 253, c. 64.]

I venture to suggest that that time is up, and that the Treasury is facing a problem that will not be solved by introducing further prevention measures.

I share the admiration expressed by my hon. Friend the Member for Mid–Sussex for the job that is done by Customs and Excise and by the police. Using the tightest of resources, they are doing a first-class job and, as far as they are able, prosecuting the larger cases. However, we must recognise that, when a person is apprehended and charged, customs and police become involved in the paper chase associated with prosecution. That immediately prevents those officers from doing other proactive work. The more criminals the customs and police prosecute, the fewer new smugglers they will be able to catch, because they are already tied up in the court process.

My right hon. Friend the Member for Wells argued that a reduction in duty is the only solution to the problem. While there is a big duty difference, putting more officers on the front line will halt only temporarily the increase in bootlegging and smuggling. As long as there is profit in it, people will smuggle and bootleg. The Government must reduce or remove that profit through a national strategy.

Dawn Primarolo: Will the hon. Lady explain to the Committee how much further she would take the logic of her argument? If people persistently flaunt the law, rather than enforcing the criminal justice system, does she advocate legalising their actions?

Mrs. Lait: I have no wish to legalise their actions. I contend that the Treasury has created a problem because of the duty differentials. We should reduce duty levels until smuggling and bootlegging stops.

That brings me to the most interesting point to which the hon. Member for Kingston and Surbiton (Mr. Davey) referred. The hon. Gentleman cited revised figures for the amounts of duty evaded, to which he claimed that customs and the industries have agreed. On 23 April, I received a document from the Tobacco Alliance—I may return to it when we discuss tobacco—confirming figures that I had already seen. It stated that Customs and Excise has estimated that £950 million in duty is evaded. If I understood the hon. Member for Kingston and Surbiton correctly, he reduced that figure—I am afraid that I did not catch the details, as my jaw dropped because I was so aghast—to £124 million. I got the impression from the hon. Lady's body language that she agreed with that figure.

If duty evasion is so low, why are so many people involved in smuggling? As my hon. Friend the Member for Mid-Sussex said, gangs are controlling smuggling operations—it is not just the mules in the white vans. The police suspect that some terrorist gangs are involved in the trade as well. The Treasury seems to condone that level of involvement in the trade. The Financial Secretary clearly disagrees with me; I suggest that she speaks to the Home Office, the Metropolitan police and the police specifically tasked with the job.

Dawn Primarolo: Will the hon. Lady explain to the House whether the £900 million figure that she quotes relates only to beer, to beer and all alcohol, or to all alcohol and all tobacco products?

Mrs. Lait: As I understand it, the figure represents the Customs and Excise estimate of all tobacco and alcohol products brought in through British sea ports. That leaves large holes. If one speaks to customs officers, as I have

done, they will say officially that it is a major underestimate. If one speaks to them unofficially, they will multiply it by a considerable factor.

Mr. Soames: Does my hon. Friend agree that, in exchanging estimates of the size of the problem, we are dancing on the head of a pin? I am sure that the Financial Secretary will give us the correct figure and disabuse us of our misapprehensions. Whatever the figure, we know that there is a huge gap. A huge sum is going out by way of lost duty and smuggling. It matters less what the figure is than what the Government intend to do to prevent an increase in such smuggling, in the light of the clause, which will merely lead to more smuggling.

5 pm

Mrs. Lait: I entirely agree. According to the Customs and Excise official figures, the loss equates to almost ½p on income tax or 0.5 per cent. on VAT. It is reprehensible for any Government to condone that level of tax loss.

I should therefore expect the rate of duty to come down in successive years, until the profit is taken out of smuggling. The people involved should no longer be considered to be acting illegally. Customs should be allowed to get on with the much more important job of stopping drug smuggling. There was some levity when I suggested last week that drug smuggling was more important than tobacco and alcohol smuggling, on the ground that tobacco and alcohol are also drugs. That might lead to an interesting debate, but we should be ruled out of order.

Mr. James Plaskitt (Warwick and Leamington): Does the hon. Lady not see the dangerous logic in her argument? She is in effect arguing that law breakers should be allowed to dictate the Government's fiscal policy.

Mrs. Lait: That is one of the problems that I have encountered since I first took up the issue, with my own Government and to an even greater extent with the current Government. Smuggling should not be a crime. It is a crime induced by the Government. The Government are responsible for solving the problem. It is not just a revenue issue. It is an issue of health policy and of the rule of law and its place in a civilised society.

While people are encouraged by our own Government to break the law, do hon. Members expect the police and customs to be respected by the rest of society? It is a mark of civilised society that the rule of law is respected. The rule of law clearly is not respected in this instance because of the sheer level of bootlegging and smuggling.

Mr. Cranston: I do not follow the logic of the hon. Lady's argument. The logic seems to be that the French Government are creating the problem, by imposing a lower duty. There will always be people who break the law. That does not necessarily lead to the conclusion that we should do away with the law. Would the hon. Lady suggest that we should legalise heroin, because some people break the law in that respect?

Mrs. Lait: It may have escaped the hon. Gentleman's notice that there is no duty on heroin.

For years our Government have had a high-tax policy on alcohol and tobacco. In a single market, that encourages smuggling. We have seen it in the past, in the 18th and 19th centuries. The only thing that reduced smuggling and bootlegging to sustainable proportions in the 18th and 19th centuries was the cutting of duty.

I am suggesting that we cut the duty year on year gradually, until the profit comes out. That will end the encouragement of under-age drinking. There is ample evidence of French lager being drunk throughout the country—it is not a south-east problem. The role of Customs and Excise and the police will be respected once again.

It remains a great sadness to me that Labour Members consider this a matter for hilarity.

Mr. Gardiner: The hon. Member for Beckenham (Mrs. Lait) said that the only solution to the problem was for duty to be cut year on year, and that that was the only effective way to stop smuggling. Forgive me, Mr. Martin, for drawing the Committee back to the amendment tabled by the Opposition. Far from suggesting that duty should be cut year on year to stop smuggling, it suggests that the Treasury should continue with the rate as set, but only one month after a report has been presented to Parliament to tackle cross-border smuggling. A great lacuna seems to be developing between the hon. Lady's argument and the clause that she purports to support.

Mr. Heathcoat-Amory: To spare the hon. Gentleman embarrassment, may I point out that that is not our amendment. If he glances at the amendment paper, he will see that the amendment is in the name of the Liberal Democrats.

Mr. Gardiner: I apologise to the hon. Lady. However, the force of her argument does not address the real issue. I shall focus on that. I agree with her and other Conservative Members who emphasised the problem that the smuggling of beer and other alcohol poses for retailers in the United Kingdom.

I know that my hon. Friend the Minister has recently given interviews to magazines such as *Asian Trader*, in which she discussed that problem and outlined the way in which the Government believe it should be tackled. *Asian Trader* is the magazine for small retailers throughout the country, exactly the sort of retailers referred to by the hon. Member for Tunbridge Wells (Mr. Norman) and the hon. Member for—I was not sure whether it was Mid-Sussex or mid pink socks, when his feet appeared over the parapet.

Mr. Soames: There is nothing mid about my socks—they are full length.

Mr. Gardiner: Mid pink stockings, in that case.

There is a real problem for the small retailer—the street corner shopkeeper throughout the country. The thrust of the Opposition argument is that the duty equates with a rise in smuggling. That is clearly a fallacy. In real terms, the excise on beer is lower than it has been for 15 years. Between January 1994 and January 1998, it fell by

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6 per cent. Therefore, one cannot simply equate the increase in duty with the rise in smuggling. That was the force of my intervention earlier in the debate.

Mr. David Ruffley (Bury St. Edmunds): Did the hon. Gentleman support the decision by the previous Chancellor to freeze beer duty in the November 1996 Budget?

Mr. Gardiner: I was not in the House at the time. In my capacity as a beer drinker I would have supported that measure, but not in respect of the needs of the Treasury and fiscal policy. If the Opposition oppose the increase in duty by the equivalent of 1p on a pint, they must explain where they would raise the revenue, which amounts to £20 million in the fiscal year 1999–2000. It is not good enough simply to oppose the extra penny in duty and to equate it with the huge increase in smuggling.

We all agree that there should be measures to control smuggling into Britain, but for the hon. Member for Beckenham to say that it should not be a crime absolutely beggars belief. That is exactly why we must have barricades and customs officials at the borders—not only to regulate illegal trade, but to ensure that the proper tax take reaches the Treasury coffers.

Mr. Robathan: I shall not detain the Committee long, and I apologise for the discourtesy of not having been in the Chamber at the start of the debate. However it would have been discourteous to someone else had I rushed in.

I had not intended to speak, but I was astonished by the levity with which Labour Members were treating the issue. At least the hon. Member for Brent, North (Mr. Gardiner) acknowledged its seriousness. It involves gangs of criminal thugs who are extremely violent. Of course we wish to apprehend them, but their criminality is partly caused by the duty that is imposed on alcohol.

I welcome the Government's announcement of extra measures to catch the thugs and confiscate their vehicles, but that is not sufficient to stop the terrible trade that is inducing moral dangers within our society. Gangs of criminal thugs are causing great problems, not just in Dover but throughout the country.

Of course, the problem has resulted from the single market. I would propose that we revisit the issue and looked again at the previous regulations, but that might be contrary to European law. We might not be allowed to reintroduce small limits on what can be brought into Britain.

My hon. Friends who have spoken so far all represent constituencies on the south coast. My hon. Friend the Member for Beckenham (Mrs. Lait) previously represented the south coast. However, the problem is not confined to the south. I represent a constituency in the heart of the country. Small pubs and retailers in my constituency of Blaby are suffering just as much as those on the south coast. There are several small family breweries in the midlands. I receive letters every month from Everards, reiterating the problems experienced by small family breweries, their public houses and their sales of beer.

Mr. Soames: My hon. Friend is right to mention small family breweries. I mentioned two small breweries in the south of England—King and Barnes of Horsham and Harvey's of Lewes. Does my hon. Friend agree that, if the problem continues, the ultimate penalty will be a serious loss of employment for people working in those breweries?

Mr. Robathan: I agree entirely, and I am grateful to my hon. Friend. We are talking about the livelihood of individuals in all our constituencies that may be affected. They may indeed become unemployed. The problem affects not only big breweries, but small family breweries, publicans and retailers. It also encourages criminality.

Perhaps we should institute one of the new Government's famous reviews into the issue. Certainly, I condemn all criminality. Smuggling is carried out by criminals. It is far from the romantic notion of the 18th century, when smugglers collected kegs of brandy off the coast. Smugglers are criminals who should be punished. The Government have a responsibility to fulfil, and if they do not institute an overriding review of the matter, they should at least freeze duty with a view to reducing it in future to lessen the temptation to which people are currently responding.

5.15 pm

Mr. Nick St. Aubyn (Guildford): May I also apologise to the Committee for having left the Chamber during such an important debate? When I returned, the discussion raging between the two sides of the Committee was reminiscent of past debates about high levels of income tax.

One could well imagine the debates in which Labour Members proposed a rate of income tax of 90 per cent.—I think that at one point it was above 100 per cent.—and argued that those who were not prepared to pay that level of income tax were positively anti-social. Over a number of years, we have persuaded the country—eventually the penny dropped even among Labour Members—that a lower rate of tax can generate more revenue and create a more productive society. The arguments about duty—albeit in a different context—are exactly the same. We are discussing the most efficient level of duty which will raise the maximum revenue for the Exchequer.

The evidence that we have heard this afternoon and that many of us have garnered before shows that the level to which the Government are now pushing beer and other duty is becoming inefficient. Perhaps it is because of the difference between the Inland Revenue and Customs and Excise. It is well known that the customs service is regarded as the rough end of the trade. The contrast between the work of an Inland Revenue officer and a customs officer often resembles that between "The Knock" and "Dixon of Dock Green". However, despite the difference of approach, we want customs officers to do their job extremely well and to concentrate their resources where they are really needed.

If the resources of Customs and Excise are devoted to trying to maintain what may prove to be unrealistically high levels of duty, on drinks such as beer, it may thereby be precluded from devoting sufficient resources to attacking the real menaces in society—including drugs—where its efforts are sorely needed. That is why the ramifications of the Government's approach of ratcheting

up duties without thought for the real economic consequences may well be to the detriment of our entire society.

Dawn Primarolo: We have had an interesting debate covering an important subject, and we have identified two main problems, neither of which the Government take lightly. The first is smuggling—the scale of the problem, the criminal activity, the loss of revenue and the health and social consequences. The second is duty and whether there is a causal relationship between the rate of duty and the increase in smuggling. I shall do my best to deal with all the points that have been raised.

Each year, Customs and Excise conducts a survey, and the resulting figures are agreed with the trade and published in September. Everyone will agree that, by the nature of the issue, estimates are exactly that. However, the Government have not picked figures out of the air with which the trade disagrees. The figures are the result of a survey.

Conservative Members do not do justice to the serious problem of smuggling by inflating their arguments about the likely effect of a 1p increase in duty on a pint of beer. They seem to have a problem distinguishing between the loss of revenue resulting from legitimate cross-border shopping and the loss of revenue resulting from smuggling.

The amount of revenue lost as a result of legitimate cross-border shopping was estimated at £235 million in 1996, compared with £230 million in 1995. I acknowledge that that is £5 million more, but the catastrophic picture that some Opposition Members painted of a Government who completely ignored the consequences of the illegal trade does a disservice to them and the Committee. It is not true. Those figures are made up of all excise duties.

The amount of revenue evaded illegitimately was £900 million in 1996 and £950 million in 1997. Again, I acknowledge that the second figure is larger than the first, but the catastrophic picture that Conservative Members painted is not true, and nor are their claims that the Government are immune to the important arguments against smuggling.

Mrs. Lait: The Financial Secretary has probably cleared up the confusion about the amount lost as a result of cross-border shopping, but no Conservative Member has questioned such losses. Our concern relates to the duty evaded as a result of smuggling and bootlegging, and that is the much larger sum of £950 million. If we agree on that, will the hon. Lady also confirm that that is equivalent to a reduction of about ½p on income tax and 0.5 per cent. on VAT each year?

Dawn Primarolo: The largest amount comes in the tobacco category, particularly hand-rolled tobacco, which we shall debate later, so perhaps I can deal with the matter then.

In defence of small business, the hon. Member for Tunbridge Wells (Mr. Norman) went on at some length about prices in Asda, that well-known corner shop. The hon. Gentleman, like several other Conservative Members, sought to advance the case that the only influence on price is duty.

The right hon. Member for Wells (Mr. Heathcoat-Amory), in committing himself to freezing beer duty, did not mention that, in March 1992, March 1993 and January 1995, the Conservative Government substantially increased beer duties. Why has the Conservative party changed its view now?

The RPI figures show that, when this Government increased duty on a pint of beer by 1p, the increase to the consumer was 7p. For four cans of lager—we are told that canned drinks pose a particular problem for the corner shop—the real price increase was 12p. There does not seem to be a direct correlation between duty and price. Price will clearly have an impact on cross-border shopping.

Mr. Norman: Has the Minister, in her estimates of the duty lost, taken into account the extent of fraud? Will she comment on the official import and export figures, which highlighted the problem? I understand that, in 1994, 322,000 hectolitres of beer were exported to France, but the French reported receiving only 148,000 hectolitres, the implication being that the difference is accounted for by fraud.

Dawn Primarolo: I was about to come to the hon. Gentleman's point about diversion fraud. That relates to how much the Exchequer loses, not the producers who are selling the goods and whether they leave the country. I am not suggesting that producers collaborate in diversion fraud; we discussed diversion fraud with them during the review. The hon. Gentleman will know that a high-level EU group is considering the matter, because it does not affect only Britain.

Mr. Edward Davey: I want to comment on who is responsible for the price increase. Has the hon. Lady had a chance to read an article in yesterday's issue of *The Licensee and Morning Advertiser* which, on page 1, under the headline "Price-rise blow for duty campaigners", deals with the issue and with some of the cant and hypocrisy that we have heard from Conservative Members?

The First Deputy Chairman: Order. The hon. Gentleman is reading from an article, but interventions must be brief.

Dawn Primarolo: I get the general drift of the hon. Gentleman's point. I avidly read many publications, but I cannot recall reading that particular one yesterday. However, I am delighted that it acknowledges, as I think the industry would, that price is the result of a number of complex issues, not just duty.

Mr. Norman: The hon. Lady confirmed the considerable problem of duty fraud. Does she agree that one of the difficulties of duty fraud and contraband is that they distort the marketplace in that it is much easier for the big brewers to participate in the export market and therefore receive the benefits of reimportation or—inadvertently and without intention, of course—the benefits of the fraud trade, whereas the small brewer, who is not packaging and selling into the export trade, is disadvantaged?

Dawn Primarolo: I wanted to deal with the question of smaller brewers in reply to the comments made by the hon. Member for Mid-Sussex (Mr. Soames), so I shall come back to that important point.

[Dawn Primarolo]

Hon. Members went on to suggest that the change in the drinking habits of the drinking public and the demise of the British pub were the Government's fault. The hon. Member for Beckenham (Mrs. Lait) suggested that the Government were actively encouraging criminal activity, which is not the case. I will explain later what action the Government are taking on smuggling.

Mr. Robathan: I assure the Financial Secretary that I, for one, am not pointing the finger of blame at this Government, and that I and other Conservative Members lobbied the previous Government on the problem of smuggling. My point is that the problem is growing and needs action. Far from helping to solve the problem, which has many facets, increasing duty will make it worse. We are not accusing the Government of encouraging criminality; we are accusing them of not taking action.

5.30 pm

Dawn Primarolo: With respect, the hon. Member for Beckenham did accuse the Government of actively encouraging criminal activity. I am trying to be fair to those hon. Members who, I know, take seriously smuggling and criminal activity, and who wholeheartedly support the Government's actions.

The hon. Member for Vale of York (Miss McIntosh) mentioned the Oxford economic model. The brewers' suggestion in the model is that, if we cut duty, we shall boost consumption and shall not, therefore, lose money in the long term. That suggests that the short-term impact of a tax cut might be to boost demand, and that lower taxes are likely to increase personal disposable income and temporarily boost GDP. Almost any tax cut would have a similar effect. We dispute—as, I am sure, does every hon. Member—the brewers' suggestion of a free lunch and the implication that, by continually cutting indirect taxes, we would indefinitely raise output and reduce inflation. That would clearly not be the case.

The hon. Member for Kingston and Surbiton (Mr. Davey) made a helpful contribution about health and tax issues. He made several points about young people and alcohol consumption, which must be part of the wider policy debate conducted by the Government. He will be aware that, yesterday, my right hon. Friend the Leader of the House announced in a statement that a cross-departmental ministerial committee will consider the growth in alcohol consumption by young people, as well as that in smoking, to which I will return.

The hon. Member for Kingston and Surbiton went on to make points about the licensing regime. I know that people think that the Treasury is omnipresent, but as yet, licensing regimes are not within its remit. I therefore note his points, but cannot deal with them.

Miss McIntosh: I accept that there is no such thing as a free lunch, but the Financial Secretary has not replied to my questions about the fact that the Government are committed by the treaty of Rome not to a uniform rate, on which Labour Members have insisted, but to equalising the rates of duty and VAT. That is an important difference. Does she accept that the British presidency has failed in its duty to undertake that exercise and to commission a Commission study on that matter?

Dawn Primarolo: No, I do not accept that. The hon. Lady is aware that harmonisation of indirect taxes is not a requirement of the treaty of Rome, and that all member states believe, as we do, that it is important to continue to have the right to set the rates.

I have covered the points about price made by the hon. Member for Tunbridge Wells. I have tried to reassure him that we take smuggling seriously. He repeatedly asserted that smuggling has worsened in the past 24 months, but whatever he thinks is happening on the streets, his assertion is not supported by the information available to the Government. The significance of an increase in duty of 1p on a pint has been tremendously inflated.

Mr. Norman: Will the Minister please confirm that her colleagues in the Home Office are not complaining that smuggling is a worsening problem, and that they are satisfied that it is contained and is static?

Dawn Primarolo: The Government do not refute the importance of smuggling and how we deal with the threats that it poses to revenue, and health and social policy; hence the setting up of the—

Mr. Norman *rose—*

Dawn Primarolo: May I finish the answer? The hon. Gentleman must surely expect an answer to his question before he intervenes again.

The Government have made a commitment to set up the alcohol, tobacco and fraud review, and to work with the industry to start to grapple with the difficult problems of smuggling and diversion fraud. That is the first time that such action has been taken. The Opposition seem simply to be arguing that the Government are not moving fast enough, rather than disagreeing with the general direction of our policy.

Mr. Norman: I thank the Minister for attempting to reply to my question. Will she confirm her assertion that smuggling and fraud have not worsened at all in the past 24 months? That is in direct contradiction to claims made by other members of the Government.

The Temporary Chairman (Mrs. Gwyneth Dunwoody): Order. Interventions are getting longer, and it would be helpful if hon. Members remembered that they should be brief.

Dawn Primarolo: I gave the Committee figures for the change in loss of revenue, which has increased from 1995 to 1996, and is therefore clearly getting worse. We need to be mindful of the scale of the deterioration and consider what would be the most effective response from the Government.

I want to ensure that Opposition Members do not use the debate on a 1p increase on a pint of beer to imply, and state outside the Chamber, that the Government are complacent about the corrosive effects of smuggling and diversion fraud—we certainly are not.

I am grateful to the hon. Member for Mid-Sussex for his generous comments about Customs and Excise—particularly the operation at Gatwick airport—and its continuing success in dealing with smuggling. He made some suggestions about how customs activity could be expanded to increase our ability to deal with the problem.

The hon. Gentleman also made a special plea for small brewers. He quoted two from his area, but there are several throughout the country. We have recently received proposals from the Society of Independent Brewers for a sliding duty scale for small brewers. The Government are examining those proposals, because we wish to ensure that we respond fairly to the entire industry and to the special pleadings of small brewers.

Ministers have studied the review report. We greatly value the input from the trade, which has been exceptional and very helpful. However, as I have told hon. Members before, in view of the possible public spending implications, the Government will announce their proposals as part of the outcome of the comprehensive spending reviews and when they can be evaluated, as hon. Members have required us to do in this afternoon's debate, against all the Government's priorities. They will be published at that stage. I have always told hon. Members and the trade that that would be need to be subject to questions of commercial confidentiality.

The Opposition sought to characterise the Government as the hate figure of the trade. I shall give one example of how the trade has responded positively to the Government's actions on smuggling. On 27 April, the Wine and Spirit Association of Great Britain and Northern Ireland wrote to me:

"I am writing to say 'thank you' to you and the Department's team for the action you are taking to reduce cross border smuggling and the pernicious effects that it has on the legitimate trade."

The trade recognises that the Government's strategy is correct. However, with the exception of the hon. Member for Kingston and Surbiton, Opposition Members cannot bring themselves to acknowledge that the Government are achieving what the Conservatives failed to achieve in 18 years of government. The clause is a reasonable measure to defend Government revenue. The Government have a strategy and a proportionate response to deal with smuggling and to start tackling diversion fraud.

Mr. Heathcoat-Amory: We have heard some exceptional speeches by my hon. Friends. In such debates, hon. Members often revert to type—the only Liberal Democrat solution that we heard from the hon. Member for Kingston and Surbiton (Mr. Davey) was to try to persuade other EU member states to increase their rates of duty in line with ours. As usual, the Liberal Democrats go for the high-tax, harmonised solution, which is simply a pipe dream. We should try, even slowly, to reduce our duty rates in the direction of those on the continent if we are to remove the cause of the illegality and smuggling.

A number of my hon. Friends spoke in this debate. My hon. Friend the Member for Vale of York (Miss McIntosh) has pursued this matter in the European Parliament as well, and my hon. Friend the Member for Tunbridge Wells (Mr. Norman) brought to bear an unrivalled knowledge of the retail trade. In a Chamber that is not over-burdened with practical business experience, his speech was particularly telling and valuable.

My hon. Friend the Member for Beckenham (Mrs. Lait) has pursued this matter over several Parliaments. Her comments were largely ignored in the Minister's wind-up speech. The chief point stressed by my hon. Friends the Members for Mid-Sussex (Mr. Soames), for Blaby (Mr. Robathan) and for Guildford (Mr. St. Aubyn), all in different ways, was the seriousness of what is happening. That contrasted starkly with the attitude of Labour Members, who seemed almost to deny that a problem was being experienced either as a result of massive cross-border shopping—a huge new industry has been set up in France selling drink back to us and therefore denying us business, profit, jobs and duty to the Treasury—or as a result of large-scale smuggling and duty fraud.

Labour Members' comments show how quickly, in government, they have become out of touch with their constituents. They have only to go into their local off-licences or pubs to discover what people are saying.

The problem is serious and getting worse. The Financial Secretary gave some figures that show that the problem is escalating and that the loss of duty is increasing. That is happening even before the increase in duty as a result of last year's Budget and the increase when the clause comes into effect. When those duty increases work through, in contrast to the freeze in duty in the last two years of the Conservative Government, the situation really will get worse. Moreover, the strong pound makes cross-border shopping all the more attractive.

The Minister did not answer the point about the broken promise on the review. The Prime Minister promised, in the main trade journal, that there would be an urgent, independent, comprehensive study of the problem. He has broken that promise. There has certainly been no urgent study, because even the one carried out by Customs and Excise has not yet come out. In any case, it is not independent, because it has been carried out by a Government Department. It is not comprehensive because the trade report said that Customs and Excise has, on the instruction of Ministers, ruled out examination of the two main measures that could control the problem—either the reinstatement of border controls or the approximation of duty rates.

5.45 pm

All we have is a secret study, which has not been published, despite Government words about openness, accountability and the public's right to know, but has been carried out within the Government. We await that study—even if it could not be published on time at the end of last year, it would inform our debates at later stages. As my hon. Friend the Member for Tunbridge Wells said, if we do not have it, we shall strongly suspect that its conclusions are embarrassing to the Government and critical, of their policy.

They might well be critical, because, in our last two years in office, we froze duty rates. Despite a large budget deficit, we moved, albeit slowly, to narrow the gap between rates of duty and thus provide a disincentive to the illegal trade and cross-border shopping. That contrasts with the actions of this Government who, despite their looming budget surplus, have again increased those rates of duty. I shall invite my hon. Friends to vote against the clause.

Question put, That the clause stand part of the Bill:—

[Mr. Heathcoat-Amory]

The Committee divided: Ayes 293, Noes 123.

Division No. 258] **[5.46 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Baker, Norman
Ballard, Mrs Jackie
Banks, Tony
Bayley, Hugh
Beckett, Rt Hon Mrs Margaret
Beggs, Roy
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Borrow, David
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brand, Dr Peter
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Stephen
Cable, Dr Vincent
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Canavan, Dennis
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Chaytor, David
Chisholm, Malcolm
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clwyd, Ann
Coaker, Vernon
Coleman, Iain
Cook, Frank *(Stockton N)*
Corbyn, Jeremy
Cotter, Brian
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cummings, John
Cunliffe, Lawrence
Cunningham, Rt Hon Dr John *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Cunningham, Ms Roseanna *(Perth)*
Dafis, Cynog
Dalyell, Tam
Davey, Edward *(Kingston)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Denham, John
Dewar, Rt Hon Donald
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Ellman, Mrs Louise
Ewing, Mrs Margaret
Fatchett, Derek
Fearn, Ronnie
Fisher, Mark
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galloway, George
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Godsiff, Roger
Golding, Mrs Llin
Gorrie, Donald
Grant, Bernie
Griffiths, Jane *(Reading E)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hanson, David
Heal, Mrs Sylvia
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kennedy, Charles *(Ross Skye)*
Kennedy, Jane *(Wavertree)*
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Livingstone, Ken
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
Mallaber, Judy
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Maxton, John
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Alan
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moore, Michael
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Morris, Rt Hon John *(Aberavon)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Oaten, Mark
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Roy, Frank
Ruddock, Ms Joan
Russell, Bob *(Colchester)*
Sanders, Adrian
Sarwar, Mohammad
Savidge, Malcolm
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Spellar, John
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stinchcombe, Paul
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Tonge, Dr Jenny
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tyler, Paul
Wallace, James

Walley, Ms Joan
Watts, David
Welsh, Andrew
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Rt Hon Alan (*Swansea W*)
Williams, Alan W (*E Carmarthen*)
Willis, Phil
Wills, Michael
Winnick, David
Wise, Audrey
Wood, Mike
Wray, James

Tellers for the Ayes:
Mr. Greg Pope and
Mr. David Clelland.

NOES

Ainsworth, Peter (*E Surrey*)
Ancram, Rt Hon Michael
Arbuthnot, James
Atkinson, David (*Bour'mth E*)
Baldry, Tony
Bercow, John
Blunt, Crispin
Bottomley, Peter (*Worthing W*)
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Burns, Simon
Cash, William
Chapman, Sir Sydney (*Chipping Barnet*)
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan (*Kensington*)
Clark, Dr Michael (*Rayleigh*)
Clarke, Rt Hon Kenneth (*Rushcliffe*)
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davies, Quentin (*Grantham*)
Davis, Rt Hon David (*Haltemprice*)
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan Smith, Iain
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Garnier, Edward
Gibb, Nick
Gorman, Mrs Teresa
Green, Damian
Greenway, John
Grieve, Dominic
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Harvey, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Horam, John
Howarth, Gerald (*Aldershot*)
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert (*Wantage*)
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
King, Rt Hon Tom (*Bridgwater*)
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian (*New Forest E*)
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter (*Fareham*)
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Mates, Michael
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Paterson, Owen
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence (*Tewk'b'ry*)
Roe, Mrs Marion (*Broxbourne*)
Rowe, Andrew (*Faversham*)
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shepherd, Richard
Simpson, Keith (*Mid-Norfolk*)
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Sir Teddy
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Wardle, Charles
Waterson, Nigel
Whitney, Sir Raymond
Widdecombe, Rt Hon Miss Ann
Willetts, David
Wilshire, David
Winterton, Mrs Ann (*Congleton*)
Woodward, Shaun
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. John M. Taylor and
Mr. John Whittingdale.

Question accordingly agreed to.

Clause 1 ordered to stand part of the Bill.

Clause 7

RATES OF DUTIES AND REBATES

Mr. Heathcoat-Amory: I beg to move amendment No. 12, in page 3, line 39, leave out '£0.4926', and insert '£0.48'.

Even in the context of a tax-raising Budget, the impost on road fuels was particularly savage. The amendment seeks to moderate the increase to bring it back into line with the so-called escalator that we left behind when we lost office. The private motorist and commercial road users face steep increases, and, as ever, the Library has been helpful in working out the implications of the new transport fuels policy that was announced in the Budget.

The increase in the escalator from 5 to 6 per cent. in real terms, the fact that the Government have brought forward the implementation date, and an extra increase in the duty on diesel and super unleaded petrol, add up to an additional tax burden of £9 billion over this Parliament. By any standard, that is a huge additional burden, and it is an inefficient way to reduce car use, if that was the intention. Of course it has an effect on the private motorist and a most unfortunate effect on those in rural areas where many people must have cars—there is no realistic alternative to the car for getting to work or for use in the course of daily routine. Against the huge, almost staggering, increase in the overall tax burden, the £50 million that is to be allocated to rural bus services over three years is gesture politics at its worst. It is an insult to people who live in those areas.

Mr. Dafydd Wigley (Caernarfon): Does the right hon. Gentleman agree that the burden will hit rural areas at a particularly inopportune time, in view of the severe decline in farm incomes? A reduction of 89 per cent. has been reported in a study in Wales in the past year. This is the worst time for such additional impositions to be placed on rural areas.

Mr. Heathcoat-Amory: I entirely agree. The right hon. Gentleman and I have rural constituencies. I represent the second main dairy county in Britain, and the hon. Gentleman's area has a marked concentration of agricultural and allied industries, both of which are suffering grievously from reduced prices and subsidies and the strength of the pound. The increase in fuel duty on top of those factors is a burden that people find hard to understand from a Government who talk much about their inclusiveness and their aim to help what they call rural communities.

Mr. Cranston: I should like to draw the Committee's attention to what the right hon. Member for Wells (Mr. Heathcoat-Amory) said in January 1995 when this issue was being addressed:

"I accept that some things are more expensive in rural areas. Some things are more expensive in urban areas. That is the interplay of a market and the inheritance of the past."—[*Official Report*, 23 January 1995; Vol. 253, c. 104.]

[Mr. Cranston]

Would the right hon. Gentleman like to comment on that?

Mr. Heathcoat-Amory: That was an entirely different debate. I conceded at that time—and I have always recognised—that those who live in rural areas rely more on cars. That is the issue that we are debating. It is undoubtedly true that some services are more expensive in rural areas, and nothing that the Government can do could alter that. What I said at that time is right, and I withdraw nothing whatever from it. It does not contradict my point that the increase in petrol and other fuels, which affect everyone, are especially burdensome for people in rural areas who are already damaged, as the right hon. Member for Caernarfon (Mr. Wigley) said, by the poor state of farming.

Mr. John Bercow (Buckingham): The hon. Member for Dudley, North (Mr. Cranston) mentioned the debate of 23 January 1995. Is my right hon. Friend aware that, on that day, the Financial Secretary, who was then in opposition, said of an increase in fuel duty:

"People living in rural areas will be badly affected."—[*Official Report*, 23 January 1995; Vol. 253, c. 99.]

She also said that to portray such a measure as environmental was cynical. Was she wrong then, is she wrong now, or does not she know which?

Mr. Heathcoat-Amory: The difference is that, in 1995, the hon. Lady was not in a position to do anything on this matter. Now that she is in office, she is able to deliver. During the debate, we shall see whether her words were hollow or whether she intends to deliver on her intentions at that time.

We are debating the effects on rural areas of the increased duty, but the increase will also affect industrial costs, which are also incurred in rural areas, and the United Kingdom's entire distribution chain. All raw materials have to be moved and all goods distributed; the fuel that propels most of that movement is diesel, the fuel of industry.

The Budget signals a duty increase on diesel higher than that on petrol. Furthermore, the Red Book signals that future Budgets will widen the gap and that diesel duty will go on increasing at a higher rate than the duty on petrol in spite of the fact that diesel duty in the United Kingdom is already the highest in the European Union. The Freight Transport Association reports that it is 70 per cent. above the average of EU member states, so there is a competition point.

Industry and exporters in particular are suffering because of the high pound, and the Government are burdening them with a tax increase that goes to the heart of the productive economy. It is not hard to see what will happen. Not only will competitiveness, investment and the capacity to create new jobs be hit; there will be every incentive to hauliers conducting international business to fill their tanks abroad. That is not a trivial problem. If all the lorries that go to the continent leave with empty tanks and return with full ones, there will be a significant drain on the Revenue. When working out the yield from the increase in diesel duty, the Financial Secretary must have estimated the effects of what will be lost through hauliers and others filling their tanks overseas. There will be a significant loss of revenue if big articulated lorries with empty tanks fill up in France rather than in this country.

Mr. Leslie: While we are talking about loss of revenue, perhaps the right hon. Gentleman will tell us the cost to the Exchequer of his amendment. I understand that it might be in the region of £400 million. Will he confirm that? How does he plan to raise that extra money?

Mr. Heathcoat-Amory: I shall come to the amendment in due course. To put the hon. Gentleman out of his misery, I assure him that we are merely returning the escalator to what we left behind in our Red Book. The Labour party has taken over all our expenditure commitments. Why cannot it take over our taxation estimates as well? If the hon. Gentleman supports that, he will support an amendment that would reduce the extra burden of taxation and return to the estimates that we left behind. There would be no loss of revenue, but a continuation of the revenue that we wrote into our last Budget. I am grateful to the hon. Gentleman for his intervention.

The effect of the annual increase in fuel duties is estimated as equivalent to 1p on the basic rate of income tax every year. Those increases affect not just industry and distribution, but public services. Labour Members sometimes overlook the fact that ambulances and police cars run on the more expensive fuel. Without compensation, the increases in duty represent a real-terms cut in expenditure on those public services.

The Government's excuse for the increase in diesel duty is to encourage the use of low-sulphur diesel. We all know that the compounds produced when sulphur combines with oxygen are part of the pollution problem, particularly in cities, but instead of creating an incentive by reducing the cost of low-sulphur diesel, the Government have increased the duty on that fuel by more than the increase on petrol. It has gone up by 9.4 per cent. That is the second increase in less than a year. The only incentive is that the duty on ordinary diesel has gone up by even more—by 11.7 per cent. That is also the second increase in eight months. They are using a stick rather than a carrot.

The policy is particularly stupid given the Government's professed concern about global warming. My information from the industry is that taking a tonne of sulphur out of diesel releases 20 tonnes of carbon dioxide into the atmosphere because the procedure is very energy-intensive. There is then also the problem of disposing of the sulphur.

Diesel is a more efficient fuel than petrol for carbon dioxide emissions. A vehicle can go further on a gallon of diesel than on a gallon of petrol, and the combustion of the fuel produces less carbon dioxide. If the Government are concerned about global warming, why are they encouraging an industrial process that releases more carbon dioxide? Why are they encouraging the use of petrol rather than diesel?

Mr. Geoffrey Clifton-Brown (Cotswold): Does my right hon. Friend agree that, in balancing petrol against diesel, the Government have also forgotten about the cancerous effects of the benzine and benzine-related compounds in petrol, which are absent from diesel?

6.15 pm

Mr. Heathcoat-Amory: My hon. Friend is probably right, but we do not know what the Government have forgotten, because they will not tell us. We could have had the answers to my hon. Friend's question if the Government had fulfilled their promise to accompany their Budget with a green book setting out the environmental implications of Government policy. As the Treasury Committee has recently observed, no green book was forthcoming, despite a promise by the Financial Secretary that one would be published. Perhaps she will fulfil that promise when she answers the debate. Even if she cannot produce the book this afternoon, she can at least tell us when it will be published, in line with her earlier assurance. The Government are in a muddle. They are setting up contradictory incentives. Their environmental goals are not clear.

The amendment would return the duty increase to the 5 per cent. escalator that we set in motion, and would restrict its implementation to once a year. The arithmetic in the amendment may not be exact—it is for the Government to improve on it if they can—but our intention is clear. We have taken approximately two thirds of the 5 per cent. increase that we left behind in recognition of the fact that this is the second increase in eight months. We are reducing the escalator, because we should get back to annual increases rather than trying to squeeze them in every eight months. That would lift the burden of the £9 billion extra hit on the private motorist and the productive sector of the economy caused by the Government's new policy on the taxation of fuel. If the amendment is accepted, as it should be, we shall strike a blow for industry, public services and the private motorist.

Mr. St. Aubyn: I support the amendment. The Government are in danger of devaluing an important principle. The previous Government fully endorsed the principle of using economic levers up to a point to change behaviour. We encouraged people to switch to unleaded petrol by changing the rates of duty between unleaded and leaded. A measured increase in petrol duties was part of a programme of persuading people to use their cars less and to use public transport more.

The Government must explain why increasing the scale on which the duties are raised from 5 per cent. to at least 6 per cent. will make any difference. I do not believe that it will. A measured rise in duty is helpful as part of an overall programme to encourage people to switch from using their cars to using public transport, but on its own it is not an answer. With their excessive rise in petrol duty, the Government are putting too much faith in one policy. That will not work. The huge increases in traffic through my constituency despite increases in duty in recent years show that the use of the private car will not be influenced by the price of petrol alone. A huge convenience factor must be addressed before we can hope to stem the increase in traffic.

On Friday, we debated the Road Traffic Reduction (National Targets) Bill. It is evident that there is support on both sides of the House for measures that discourage motor traffic, but they must be carefully considered. The Government's proposal is an attempt merely to cap the previous Government's policy by taking it that step further, but without thinking through the consequences. I am sure that we shall hear from hon. Members who represent rural areas, such as Cornwall, where I used to live, which will be very hard hit by the scale of the increase that the Government have proposed for all road users without thinking through what other measures are needed.

The extra burden on the car driver will not make any difference to the increasing traffic in lanes around Guildford. It will not save us from problems on Halfpenny lane in Chilworth or through villages such as Compton and Puttenham, where the massive increase in traffic is causing tremendous disquiet. If the Government's only response is to raise petrol duty, it is simply not good enough. That will not solve the problem.

Mr. Bercow: Does my hon. Friend agree that, if the Government think that an increase in duty will reduce the use of the private motor car, they owe it to the House and to the public to publish an estimate of what they believe that reduction will be? If they fail to do so, we can assume that they do not expect a reduction in usage, and that the proposal is just a smash-and-grab raid on taxpayers.

Mr. St. Aubyn: I thank my hon. Friend for pointing out that what really lies behind the Government's proposal is greed. They simply want to grab as much money as they can from the taxpayer. It is old-fashioned socialist greed. The implication is that those with the largest cars will pay the most. The calculation is spinning through the brains of Labour Members as we debate the issue. I would go further than my hon. Friend: the Government should not only publish estimates of how much the additional levy will reduce road traffic but tell us how they will spend the additional revenue to encourage alternative uses.

I should like to draw the Committee's attention to some very interesting alternative means of transport in my constituency that are at the forefront of thinking on the issue. They demonstrate the inadequacy of the Government's response in clause 7. The concept of an ultra-light railway system has been promoted by a firm based in Guildford that gave a presentation in the House only a few weeks ago. The system could have a significant impact in town centres such as Guildford by encouraging people not to use their cars. The concept relies not only on increases in duty but on new technology. More to the point, it is a purely market-driven solution, which requires no public subsidy.

The Temporary Chairman: Order. We are discussing rates of duty; I am sure that the hon. Gentleman knows that.

Mr. St. Aubyn: I am just contemplating how the additional revenue that the Government are planning to raise through the excessive increase in duty might be put towards a constructive policy of discouraging the use of the private motor car. If the Government cannot come up with such a policy, the idea that the motorist should be arbitrarily penalised clearly becomes highly debatable.

The Temporary Chairman: Order. This is all very interesting, but I am afraid that we are debating a rather narrow amendment. I am sure that the hon. Gentleman would like to return to it.

Mr. St. Aubyn: I am grateful for your excellent guidance, Mrs. Dunwoody.

[Mr. St. Aubyn]

We should emphasise that the Government are proposing a very narrow-minded policy that does not go nearly far enough towards solving the problems that face this country. Behind the example of the ultra-light railway is the fact that we shall solve the problems of excessive traffic through market solutions.

Mr. Clifton-Brown: Will my hon. Friend call on the Government to publish the specific environmental benefits of not raising the escalator, as we propose in amendment No. 12? No figures have been published either in the notes on clauses or in the Red Book to indicate specific environmental gains in terms of carbon dioxide emissions.

Mr. St. Aubyn: My hon. Friend makes a very valid point. I hope that the Financial Secretary is making careful notes because recent interventions show just how far short the Government have fallen of what they should be achieving. If they want any support in the Lobby tonight, they must show that there is a purpose behind imposing additional levies on the motorist. The purpose must surely be traffic reduction.

We must come forward with market-driven solutions. As a result of the policy instituted by the previous Government, there is evidence that although an increase in petrol duty may form part of a comprehensive strategy, it cannot be the whole strategy. If it cannot be the whole strategy, it is simply not fair, particularly on less well-off people in rural areas who depend on cars, to penalise the motorist by proposing such taxes.

Mr. John Swinney (North Tayside): I support the amendment because some moderation of the Government's proposed increase is better than nothing. I calculate that the percentage increase recommended by the Conservatives was of the order of 6 per cent., against the 9 per cent. that the Government propose. It is important that we do something to moderate the proposed severe increase in petrol duty.

There has been much double-talk in this debate from Conservative spokesmen who have denounced measures that they were quite happy to introduce when they were on the Government Benches. I shall spare the Committee any further points on the hypocrisy of both main parties on this issue.

Mr. Heathcoat-Amory: The hon. Gentleman has just said that he wants to return the duty increase to the level that applied under the previous Government, which is exactly what the amendment proposes. Why, therefore, is it hypocritical for us to get together on the same issue?

Mr. Swinney: Although I am grateful for that intervention, it is a curious way to welcome friends into the body of the kirk, as we would say in Scotland. I would have much preferred the amendment tabled by my hon. Friends and myself—or, possibly, that tabled by the Liberal Democrats. Unfortunately, those amendments were not selected.

Mr. Bercow: It is sour grapes.

Mr. Swinney: It is not sour grapes. It is just a recognition that the Conservatives, as usual, are offering us a second-best solution to the problem, which I am happy to support.

If the clause is passed without amendment, we will have witnessed two inflation-busting increases in 12 months, totalling three in 18 months. As a Member of Parliament who represents a very large part of Scotland and a diverse rural constituency, I know that the increases are very damaging to the health of the rural economy.

I have listened carefully to, and comprehend, the Government's arguments at different stages in the Bill's passage on why it is necessary to go down such a route to reduce vehicle use and traffic congestion, protect the environment, reduce emissions, and all the rest of it.

On Second Reading, I questioned the Chief Secretary on that very point. I asked him what information the Government had at their disposal to suggest that increasing duty on petrol reduced car use. I thought that was a straightforward question. The Chief Secretary replied:

"The matter has been looked into. If fuel duties are increased, there is a reduction in car use and lower carbon dioxide emissions."—[*Official Report*, 21 April 1998; Vol. 310, c. 609.]

That sounded clear, but, to make sure, I thought that I would ask a written question to get the information out into the public domain. I asked the Chancellor

"what data he has evaluated indicating that increasing the duty on fuel results in lower car use; and if he will make the studies available in the Library."

The Financial Secretary kindly responded:

"I shall let the hon. Member have a reply as soon as possible."

That did not suggest to me that there was compelling evidence in the Treasury to suggest that increasing the cost of petrol resulted in less car use. I am sure that the full answer is in the post.

I question the central thrust of the Government's strategy in the clause, which is that increases in the cost of petrol will result in lower fuel use. The arguments are much more closely related to a balanced debate on road pricing, increasing parking charges in city centres such as London, and differential levels of vehicle excise duty in different parts of the country. I do not believe that the Government's approach of increasing duty disproportionately beyond the rate of inflation will work.

Mr. Cranston: Did the hon. Gentleman also ask the Financial Secretary about the benefits that his constituency will receive from the £50 million a year for bus services for the next three years?

6.30 pm

Mr. Swinney: I would not need the Financial Secretary's advice to get my calculator out to start working my way through that £50 million over three years for a number of large and diverse rural constituencies. I got into some trouble in a recent radio debate involving the hon. Member for Gordon (Mr. Bruce), when I suggested that there were no public transport services in my constituency. That was careless, because the next day I received a letter from the Stagecoach bus company telling me how many buses went through my constituency.

Mr. David Heath (Somerton and Frome): The hon. Gentleman's constituency has some similarities to mine in terms of its rurality. Many households need more than one car to go about normal life, because public transport

does not exist for them. Does the hon. Gentleman agree that one way of making the imposition fairer on rural areas would be a drastic reduction in vehicle excise duty, with that package being presented to the rural motorist as environmental, but fair?

Mr. Swinney: Such a solution would take account of the differences between areas. Petrol prices in London are substantially lower than in parts of my constituency, such as Blairgowrie, Pitlochry and Forfar.

The essential nature of cars in rural communities was outlined by the Scottish Office in 1987, which said:

"a car in a remote area may be both highly unreliable and barely affordable but nevertheless essential to survival and any households without a car in remote areas must be at a severe disadvantage."

Statistical evidence shows that, on average, 57 per cent. of households in Scotland have one car. In the highlands, the figure is 68.5 per cent.; in Grampian it is 68.3 per cent.; and in the northern isles it is 70 per cent. By my calculations, when above-inflation increases are taken into account, the increase proposed in the Bill means that an average rural car user will have paid about £60 extra a year since 1993. That is about £400 over that period for rural car users—an enormous burden for people who survive on fairly modest incomes, particularly in the current financial climate.

Earlier, the hon. Member for Shipley (Mr. Leslie) intervened on the right hon. Member for Wells (Mr. Heathcoat-Amory) and referred to a quotation from 1995. One of the points that I would use to shore up the argument that the right hon. Gentleman made is that, when petrol increases are introduced, the effect on small shops and the price of commodities—which is already higher in rural areas than in urban areas—is severe. That must be appreciated when decisions of this nature are made.

I have looked at the information on travel-to-work patterns in rural areas of Scotland provided by Highlands and Islands Enterprise. In the UK, about 9.85 per cent. of people travel to work by bus; in the highlands and islands, the proportion is 6.6 per cent.—showing a further differential in the availability of public transport and the essential nature of the car.

The Government have embarked on a route that—as has been drawn to their attention in the Budget debates, at Second Reading and again today—is damaging the rural economy at a time when it is at one of the most fragile stages of its development. I urge the Government to think again and to give greater consolation than the £50 million over three years. [HON. MEMBERS: " fifty million a year."] I stand corrected. If that amount is broken down into individual constituencies—and the type of work required to build effective public transport services in fragile rural areas is considered—it will not take us very far on the bus.

Mr. Malcolm Bruce (Gordon): Is the hon. Gentleman aware that the city of Aberdeen is discussing a possible cross-city commuter railway service, using the existing railway line? It is estimated that that would cost £30 million to £50 million. One project in one city could use the entire amount—and that is a project to bring rural people to work.

Mr. Swinney: The hon. Gentleman makes a valid point, which touches on the impact on cities such as Aberdeen of the growing commuter belts outwith the major cities. The same problem exists in Perth and Dundee.

I conclude with some information on comparative petrol prices, which was kindly provided—I could not quite believe the source—by BBC Ceefax in April 1998. This country has the fourth largest average price for unleaded petrol in the EU, and many other countries operate with lower petrol prices. The Government, by pursuing the measures in the clause, are entrenching a problem which is felt by many people—particularly, and most severely, people in rural areas.

Mr. Ruffley: It would be in the interests of hon. Members to remember that this is yet another tax increase, a tax increase that the Prime Minister said before the last election he would not be making. House of Commons figures—which Opposition Members have not denied—show that an average household will be more than £1,000 a year worse off as a result of mortgage rate and tax increases.

No one in the Chamber, Mr. Haselhurst, has even attempted to deny the independence and judgment of those figures. [HON. MEMBERS: "Sir Alan."] You have always been a knight in my eyes, Sir Alan. A large component of that burden on average families comes through increases in duty, including petrol duty.

The increase is in three parts. The escalator is going up from 5 to 6 per cent. Then there are the two timing changes that the Government have introduced in respect of the previous financial year: the timing was moved from November to July and there is the more long-term change of moving the point of operation of the tax increase from November to March. Those constitute three separate increases.

That is not more or less what the previous Government did. It is defying the laws of arithmetic to suggest that the increases in the Bill are more or less what the previous Conservative Chancellor was engaged in. It is complete nonsense. If Labour Members bother to read the Red Book, they will discover why. It shows that the estimate for the amount of revenue to be raised between 1997–98 and 2002 is over and above the estimate under the Tory 5 per cent. escalator: it is £9 billion more than under the Conservative escalator. A colossal amount of revenue is being raised by the increases that the Bill would put into effect. For that reason, we suggest that the increase be pegged to 5 per cent.

With that extra £9 billion over those financial years, a burden will be placed on the countryside. There is no other way in which to interpret £9 billion extra in revenue. Liberal Democrat Members have drawn attention to the experience of their constituencies. [HON. MEMBERS: "Nationalist Members."] I am sure that the hon. Member for Somerton and Frome (Mr. Heath) will make that point; he has already made it in an intervention.

The increases fall on families for whom a car is a necessity, not a luxury. Many Opposition Members who do represent rural constituencies—not perhaps as rural as Dudley—have a considerable number of rural

[Mr. Ruffley]

constituents. They represent the counties of Oxfordshire, Buckinghamshire and Gloucestershire, and actually know and understand—

Mr. David Hanson (Delyn): Scotland and Wales.

Mr. Ruffley: I refer to the hon. Members who are here in their places and not to those who are not.

Mr. Hanson: There are no Conservative Members in Scotland.

Mr. Ruffley: Labour Members representing Scotland and Wales are not in their places at the moment; the hon. Gentleman should listen to what I say.

The fact remains that many lower-income families have smaller, perhaps quite old cars and are not very wealthy by any means, but they need a car to travel large distances. For example, outlying villages in my constituency—those in the Norfolk-Suffolk borders such Hinderclay and Redgrave—are miles away from any nodal transport. That has always been the case. In that part of high Suffolk, for 50 years public transport has not been as good as perhaps it should have been. I do not imagine that it will be any different under this Government, but that is a hard fact of life. The inhabitants there know that they need cars, sometimes more than one car. It is beyond belief that a Government who believe in governing supposedly for the many and not the few can ignore large swathes of the rural populations in Scotland and Wales.

Mr. Clifton-Brown: Will my hon. Friend consider the fact that, if the Government really want to represent rural areas, they should in some way balance the amount of money that they give to rural community bus services with the amount of duty that they raise on petrol?

Mr. Ruffley: My hon. Friend makes an interesting point.

Mr. Bercow: My hon. Friend's charm and courtesy in giving way are well established throughout the House. Does he agree that, if Labour Members representing rural constituencies are to prove that they are independent spirits and not craven lickspittles of the party leadership, they should be prepared to get up and denounce this vicious attack on country dwellers?

Mr. Ruffley: My hon. Friend makes a typically robust and eloquent point. Perhaps the Financial Secretary to the Treasury, once she has finished shuffling through her brief, will be able to take note of his excellent point and reply to it in her winding-up speech. What on earth do the Government think they are doing by raising the escalator in this fashion? What do they think that will do to rural communities and to poorer people who rely on cars as a necessity, not a luxury?

That brings me to the point that my hon. Friend the Member for Cotswold (Mr. Clifton-Brown) raised in relation to public transport subsidies. The £50 million was a gross insult to rural communities. I know that Labour Members may not have many regional newspapers to which they bother sending Walworth road and Mandy towers press releases, but many of us do take a great interest in what media and newspapers in the shire counties say. They laughed the proposal for £50 million out of court. These are newspapers with no political bias of any description. *[Interruption.]* If hon. Members think that the *East Anglian Daily Times* is a party political newspaper, they are more incompetent when it comes to analysing political runes than I thought.

These are independent shire newspapers that take a dim view of the rhetoric of governing for the many, not the few, and of the Government's actions in hammering people who are least able to take on board tax increases of the sort that are outlined in the clause.

Mr. Cranston: Will the hon. Gentleman give way?

Mr. Ruffley: I happily, but reluctantly, give way to the hon. Gentleman.

Mr. Cranston: I thank the hon. Gentleman, perhaps reluctantly, but he took the name of my constituency in vain earlier. Before he draws his remarks to an end, will he say something about the environmental impact? He has gone on for almost 10 minutes and has not mentioned the environment once. Does he agree that transport is the fastest growing contributor to carbon dioxide emissions? Is this measure not one step—one step admittedly—in trying to reduce those emissions?

6.45 pm

Mr. Ruffley: As far as I am aware, the Rio targets in relation to carbon dioxide emissions were set under the previous Administration and were well on their way to being hit; indeed, I think that they were hit. Although there is always scope for environmentally friendly taxation, I am not convinced that the case has been made at all for increasing the escalator to 6 per cent. It certainly does not begin to answer the questions that those in shire counties ask about the impact on people who rely on their cars.

Many companies in rural and shire communities have fleets of vehicles. They are concerned about the impact that this unjustified tax hike to 6 per cent. and the increase in diesel will have on their businesses. The hon. Member for North Tayside (Mr. Swinney) made a good point about the impact on village shops and village retail. There is no doubt that this pernicious tax hike will affect people in rural areas. I wish that, in the spirit of openness, the Labour party would—if it is going to play with an even deck on this—admit that this petrol tax hike does cause a problem in rural areas, instead of just ignoring it, pretending that things are all right and using warm words.

The Government certainly have ambitions for a new Britain. They have ambitions to increase the 6 per cent. even more. Many of the business men I know believe that this is only the start of a smash-and-grab raid in future years. It is 6 per cent. this year. What about future years? Conservative Members know that the best way in which to cap and to stop what could be a remorseless attack, particularly on rural areas, through these tax hikes, is to support the amendment.

Mr. Dale Campbell-Savours (Workington): I oppose the amendment, because I believe that 5 per cent. is insufficient. I support the Government's position that the figure should be higher.

Mr. Bercow: Six per cent.

Mr. Campbell-Savours: Yes, that is higher than 5 per cent. The hon. Gentleman can count. I congratulate him. I should have gone even higher.

I want to comment on leaded petrol and the distorting effect on petrol prices arising from the profile of taxation. I drove down the Embankment the other day and stopped at the first filling station. It seems to me that a lot of misrepresentation is going on about fuels and fuel prices nationally. That may arise in part because the previous Government provided in legislation for a commitment to a 5 per cent. increase. Fortunately, we have now removed that commitment.

Leaded four-star petrol at that filling station was 73.5p a litre, while super unleaded was 79.5p. As far as the general public are concerned, the reference to unleaded petrol, although it is marked as super, implies that it complies with what we would regard as unleaded criteria. There is a distortion in the way in which such products are being marketed: the public are led to believe that they are buying an unleaded fuel when they are effectively buying a leaded fuel.

Mr. Edward Davey: Most garages selling super unleaded also sell unleaded, which is more commonly bought by consumers and costs less than four-star.

Mr. Campbell-Savours: I understand that, but my point is that super unleaded petrol is regarded by the general public as an unleaded fuel, but it costs 6p more than four-star petrol. Many hon. Members, including myself, will have gone into a petrol station and purchased super unleaded in error, paying 6p more than for four-star leaded, in the belief that we were protecting the environment. The reality is that purchasing the leaded fuel would have done more to protect the environment, because that fuel, as I understand it, is less damaging.

A total misrepresentation is going on at fuel pumps throughout the United Kingdom as to what super unleaded petrol is. My appeal tonight is for people to stop buying it; they are being overcharged and it is probably more damaging to the environment than the leaded four-star petrol, which is a substitute petrol.

Mr. Bercow: I am sorry to learn that the hon. Gentleman incurred that additional cost. Is it not wrong to assume that, simply because he has such poor judgment in those matters, the same can be said of his constituents, who are probably altogether more discerning?

Mr. Campbell-Savours: If only that were the case. My constituents fall into the same consumer trap. Perhaps they are not blessed with the hon. Gentleman's intelligence.

The question of the ceiling and how it is working relates also to diesel. Last week, I spoke about ultra-low-sulphur diesel, which, I am informed, diesel drivers should now use, but which is almost entirely unavailable in the United Kingdom. There are only a few places where it can be bought. I am in favour of as many outlets as possible acquiring the right to distribute it, and selling it at a lower price, but the problem is that they do not have access to it.

I have rung garages in my constituency and further afield in Cumbria, and they tell me that it is almost totally unavailable. My plea to the Government is: please get on to the manufacturers and tell them that the public want it, that taxpayers' interests are served by their buying it, and that the interests of the environment are served by their using it. It should be made available as soon as is humanly or physically possible. We know that the pumping facilities exist on the forecourts, and there is no reason at all why companies should not begin the process of switching pumps from diesel to the new low-sulphur diesel.

When I allude to one other little reform, I hope that you will not rule me out of order, Sir Alan. I know that I am getting right to the margin of your forbearance.

We shall raise additional revenue from the tax increase that is being introduced, and that is welcome for environmental reasons, but there is another way of protecting the environment. We must make sure that people pay: that they get their MOT certificates, pay their road fund duties and insure their vehicles. Why do we not simply have one disc, in three parts, with three different inserts, dealing with vehicle excise duty, MOT and insurance? If we did that, and the date of expiry was marked on each part of the disc, a great number of vehicles, many of which are responsible in the greater part for the pollution that we so deprecate, would immediately be removed from the road.

Many vehicles are on the road that should not be. Let us not only raise taxes but enforce measures that already exist, because my view is that we could thereby be more environmentally friendly.

The Chairman of Ways and Means (Sir Alan Haselhurst): My view is that the hon. Gentleman just about got away with that.

Mr. Edward Davey: I am glad to hear you say that, Sir Alan, because I want to support what the hon. Member for Workington (Mr. Campbell–Savours) said: there are ways in which we can force some of the polluting cars off the road.

I understand that the fines for not having a car properly insured are fairly minimal and that, in some cases, especially for youngsters, whose insurance costs would be significant, they are almost the same as the costs of a decent motor insurance policy. That seems ludicrous, as it offers no incentive to be insured. Increasing the fines might have a similar effect to the proposal of the hon. Member for Workington.

I want to cast the Committee's mind back to the incisive and robust speech of the hon. Member for Bury St. Edmunds (Mr. Ruffley). He focused our minds on a key aspect of the debate: the cumulative effect of the increases in fuel duties. We should think of the increases that have already happened in the past 12 months, because, if we add them to the new increases, as he said, the increase in taxation, over and above what was planned by the previous Government, is up to £9 billion. That significant increase was not foreshadowed in the Labour manifesto.

Cumulatively, the duty on leaded petrol has gone up by 8.9p and on unleaded petrol by 8.4p. For leaded petrol, that is a 21.4 per cent. increase in less than 12 months. As I understand it, the Government's inflation forecast is

[Mr. Edward Davey]

about 2.5 to 3.5 per cent. When they increase duty by more than 20 per cent. and claim that the increase is 6 per cent. above inflation on an escalator basis, they seem to be more pessimistic about the prospects for inflation than we have seen in their macro-economic forecasts. The cumulative effect of the two Budgets and two Finance Bills amounts to a swingeing increase.

Unfortunately, the conclusion of the hon. Member for Bury St. Edmunds was weak. He maintained that the amendment went far enough towards rebalancing the injustice of the increase. While Liberal Democrats will be supporting the amendment because it is the only show in town, it does not go anywhere near compensating people who will be affected by the large increase.

The Government are making the mistake of their predecessors. They are being narrow-minded in their approach to environmental taxation. It is important that we build popularity for environmental taxation and build consensus among the population. We shall do that only if people see benefits from the environmental taxes imposed on them. If we are to encourage people to change their behaviour and support those measures that will change their behaviour, we must give them some incentive and some benefit.

7 pm

When the Liberal Democrats impose an environmental levy such as this one, we always propose offsetting measures to protect those on low incomes who have no alternative but to pay the extra tax. We ensure that the environmental measures are revenue neutral and neutral in their effect on the economy as a whole. We have done that rigorously over the years. The hon. Member for Cotswold (Mr. Clifton-Brown) was right when he intervened in the speech of the hon. Member for Bury St. Edmunds. It is important that there are offsetting measures.

The Government have proposed two offsetting measures. One is being implemented quickly. They are making available £50 million a year for rural public transport. As other hon. Members have said, £50 million goes nowhere near compensating rural motorists who will be affected by the increase of more than 20 per cent. in 12 months in fuel duty. The money being raised by the Government is in billions of pounds. Seeing that side by side with £50 million shows that the Government do not accept the principle of offsetting measures. That is a great shame.

The Government have said that they will consult on a second measure. It is not in the Finance Bill, and that is a great shame. They have said that they are minded to consult on introducing vehicle excise duty at a starting rate of £100 for the least polluting cars. I presume that that consultation will happen later this year. It is a shame that it is being delayed, because compensation delayed is not really compensation for people paying higher fuel duties now. The Red Book merely states that the Government are interested in introducing a reduced starting rate of £100. I hope that they will go much further.

The Liberal Democrats have argued for some time that vehicle excise duty should be graduated far more than by the suggestions on which the Government propose to consult. We should like vehicle excise duty for the smaller-engined, more fuel-efficient cars to be reduced to just £10 in order to offset the impact of higher fuel duties, especially on rural motorists who need to use their cars and have no alternative.

The Government should be taking offsetting measures first before imposing these swingeing increases. The timing is of great significance. The right hon. Member for Wells (Mr. Heathcoat-Amory) mentioned the plight of agriculture and the rural economy as a result of the level of the pound and the problems caused by the decline in the beef industry as a result of the BSE crisis. I accept that the BSE crisis is not the Government's fault. I am happy to agree that the Conservative Government failed to tackle that problem sufficiently, but it has left the rural economy in dire straits. So to impose increases in fuel duty on the rural economy when they will be most directly felt and will have the most swingeing impact—increases of more than 20 per cent. in less than 12 months—is clearly a wrong-headed policy. Liberal Democrats will support amendment No. 12 and vote against clause 7 stand part.

In spite of what some Conservative Members have said, the Government have published an environmental assessment of the measures on fuel duty and have given some details of the effect of the increases on the environment. I refer right hon. and hon. Members to page 78 of the Red Book. There is a column on the environmental impact on the reductions in nitrous oxide and various other pollutants. I cannot quite describe it from what is written because it is in scientific shorthand that I do not understand, but the bit that I do understand is where the Red Book states that the fuel duty increases will result in a

"Reduction of around 3 billion car kilometres".

However, there is a note saying:

"These estimates are subject to significant margins of uncertainty."

I am sure they are. [*Laughter.*] The Financial Secretary laughs, and she is right to do so.

The more serious point is that that is all that we have—one page; a little line on those massive increases in duty. I am afraid that that does not go anywhere near meeting the promise that the Financial Secretary made recently. Of the promise of a green book setting out the Budget's environmental consequences, she said:

"We have every intention of keeping that promise from the first full Budget."—[*Official Report*, 10 July 1997; Vol. 297, c. 1062.]

In Labour's 1994 pre-election environmental policy paper "In Trust for Tomorrow", it made a commitment to a green book. We have not had it in this Budget. That is a great shame.

We are not able in this Committee to make a proper analysis of the environmental effects of the Government's measures unless the Government start meeting their pledges. So the Liberal Democrats will vote against the Government on amendment No. 12 and clause 7 stand part because the clause will have a damaging impact on the rural economy, and one that has not been offset by alternative measures. The Government have failed to put before the Committee any serious analysis of environmental impact.

Mr. Shaun Woodward (Witney): I am in favour of the amendment because I represent a rural constituency.

There is no question but that clause 7 is punitive and cynical and shows that the Government do not understand one bit the needs of rural constituencies. That is the reason for the amendment. The Government do not understand that 75 per cent. of people in rural areas depend on their cars to go to work. They do not understand that rural people have to travel 50 per cent. further than people who live in towns, and that they depend on their cars. Cars for those people are a necessity, not a luxury.

The Government made much of the process of public consultation before the Chancellor's statement. Yet again, that reveals that they are a cynical Government with a cynical practice of public consultation. Had the Chancellor come to my constituency and taken the opportunity to consult businesses in the rural area, he would have seen a survey that we conducted of 300 small businesses. Of those 300 businesses, 97 per cent. told us that they disapproved of the increases last July. The Chancellor would also have discovered that, when asked whether they thought that a 5 or 6 per cent. increase was right, only 1 per cent. of those businesses agreed.

Mr. Leslie: Will the hon. Gentleman give way?

Mr. Woodward: I shall give way in a moment.

When they were asked whether they thought that the increases would be bad, neutral or good, 94 per cent. said that they would be bad.

Mr. Leslie: Will the hon. Gentleman give way on that point?

Mr. Woodward: The hon. Gentleman will have an opportunity in a moment.

Why have the Government imposed that increase, which will hit the elderly, poor and sick in my constituency?

Mr. Leslie: Will the hon. Gentleman give way?

Mr. Woodward: In a moment. I wish to make some progress.

My constituency contains three community hospitals—Burford, Chipping Norton and Witney. The Government, who promise great things on the health service, are to close Burford hospital. The people who use it will have to travel 11 miles to Witney hospital, and those who live in rural areas will have to pay extra money to get there. The Government propose to close 25 per cent. of Witney hospital's beds, so people will have to go on to Oxford. That is a tax that will hit the sick, the vulnerable and those who live in rural areas.

Mr. Leslie: I am grateful to the hon. Gentleman, who is so generous in giving way. He mentioned a survey, which I am sure was statistically and methodologically correct, about the opinions of rural businesses about a 6 per cent. increase in road fuel duty. Did they give an opinion about the 10 per cent. increase in road fuel duty in 1993 which was introduced by Norman Lamont, the former Chancellor?

Mr. Woodward: I am grateful to the hon. Gentleman for his question, because we made it clear that the road-fuel escalator was a constructive tax, so long as the market could plan for it. The difference between the previous Government and this one is that this Government are cynical tax-grabbers who have introduced two increases through the road fuel escalator in 12 months and who are interested only in grabbing money from people's back pockets, front doors and back doors, and now from their car doors.

Mr. St. Aubyn: Does my hon. Friend recall that the previous Government increased petrol duty against a background of significantly falling oil prices? The Government are introducing larger increases when oil prices have bottomed out.

Mr. Woodward: My hon. Friend is exactly right, and it is interesting that the hon. Member for Shipley (Mr. Leslie) has not sought to intervene again. Perhaps he has learnt the lesson that he needs to learn.

Mr. Leslie: I listened carefully to the hon. Gentleman's point and should like an answer. Norman Lamont, the former Chancellor, increased road fuel duty by 10 per cent. in 1993. Was it useful in achieving the hon. Gentleman's objective of helping rural areas?

Mr. Woodward: I am grateful to the hon. Gentleman for asking his question again, because he clearly did not hear what my hon. Friend the Member for Guildford (Mr. St. Aubyn) said. When hon. Members intervene to make what they perceive to be clever comments, they must consider them in context. As my hon. Friend the Member for Guildford said, if Labour Members examined the overall fall in the price of oil and pump prices at petrol stations, they would realise that the Chancellor is hitting the poor, the sick and people in the countryside. The Government do not care about them.

Dawn Primarolo: The hon. Gentleman mentioned the price of oil. Will he comment on BP's reduction of its pump price, which acknowledges the falling price of oil? That did not happen in 1993.

Mr. Woodward: The Financial Secretary makes a valid observation—BP responded to a request from the Chancellor. At a time when petrol prices have been cut in rural communities, it is kind of him to shove petrol prices up left, right and centre.

The Institute of Fiscal Studies has studied a sample of households to discover what the effect of the tax would be. The Government claim to protect the poor, but the IFS has shown that the wealthy will not suffer, because there will be only a 1 per cent. cut in their average living standards. The income of the poorest 10 per cent. will be cut by 2.25 per cent. by this increase alone—so much for a Government whose rhetoric claims that they care about the poor.

The measure is taxation by a Government who promised throughout the election campaign not to raise taxes. They have taken another opportunity to hit the British public in rural communities as hard as they can, which shows that they have no understanding of the needs of the rural economy and people who live in rural areas.

Mr. Geraint Davies (Croydon, Central): What a load of toffee we have heard from Opposition Members. I draw their attention to an authoritative study published on 3

[Mr. Geraint Davies]

March, which compared the cost of travel by different modes of transport between 1974 and the present day. The cost of travelling by train has gone up by 68 per cent. and the cost of travelling by bus has gone up by 57 per cent., but the cost of travelling by car has gone down by 7 per cent. The Opposition spin the line that the marginal increase in petrol cost for cars will spiral the economy down into recession and hurt the rural poor. It is complete rubbish.

Mr. Swinney *rose—*

Mr. Woodward *rose—*

7.15 pm

Mr. Davies: I shall give way in a moment, but only after I have provoked three hon. Members at once.

The Government are setting off on a path of environmental sustainability with an holistic view of economic competitiveness in the global economy. Within that wider context, and given that a transport White Paper is forthcoming, the changes should not be interpreted by Conservative Members in such a farcical way.

Mr. Swinney: I am grateful to the hon. Gentleman, who knows that I represent a large rural constituency. I tell him the truth—petrol prices are higher there than in urban areas. He quotes average figures showing that the cost of motoring has come down by 7 per cent., but he must understand that it has come down by more for some people, primarily those in urban areas, and by much less for people in rural areas, who have no alternative to public transport. Will he reflect on the toffee that he is talking?

Mr. Davies: The hon. Gentleman is obviously not a statistician. There is a difference between regional differentials and average rates moving down. At all times there has been a higher price in the countryside, but for virtually everyone there has been a reduction of 7 per cent. in the cost of car use which is geared into the technology of new cars and the depreciating costs of old cars as well as the average cost of fuel.

The Government took a balanced approach in the Budget, which refocuses the burden of taxation on usage rather than on ownership, in the interests of maintaining jobs. A more sophisticated incentive scheme towards sustainability will emerge as the strategy develops. Graduated excise duty will achieve preferential treatment for clean fuels and for clean vehicles, and I hope that there will be more incentives for gas-powered vehicles as part of a wider strategy. Conservative Members shake their heads, but there are 1 million gas-powered cars in Italy and only 4,000 in this country because the previous Government failed to lead the market by setting up a system of incentives in a context within which the economy could adjust to be competitive and environmentally sustainable.

We do not have all the information, because we await the launch of the transport White Paper by my right hon. Friend the Deputy Prime Minister, who will put the issues in the wider context discussed at Kyoto. I support the Government's position. The amendment is myopic and pedestrian, and should be rejected.

Mr. Clifton-Brown: I support the amendment. The increase through the escalator is a real increase, over and above inflation. The Government's helpful notes on clauses say that this measure alone will increase inflation by 0.28 per cent. Over 10 years, the pure compounding of the inflator will result in an increase of 3.3p per litre; and the actual increase in hydrocarbon duties of 4.4 per cent. a year gives a 44p per litre increase. Adding to that the increase in VAT take—VAT goes on top of the increase in hydrocarbon duties—means that the tax regime that the Government have established for petrol will amount to a staggering 50p a litre over 10 years.

The measure will have a disproportionately injurious effect on certain classes of the community—I am thinking particularly of the low-paid, Mr. Deputy Speaker. It is all very well for us and other groups in the public sector and elsewhere who are able every year to get pay increases that nearly match the rate of inflation; but for those who are low-paid or pensioners, whose incomes do not increase with inflation, it is an especially savage measure. In my rural constituency, Mr. Deputy Speaker, that inflator—

The Chairman: Order. The hon. Gentleman should remember that we are in Committee and that I should not be addressed as Mr. Deputy Speaker.

Mr. Clifton-Brown: I apologise, Sir Alan. I should know better.

The increase of the inflator will have a disproportionate effect on those groups in society who are unable to make up their income to an indexed level. My hon. Friend and neighbour, the Member for Witney (Mr. Woodward), made the point especially well that, to those in rural areas—particularly pensioners and those who are low paid or disabled—the car is not a convenience but a necessity. The Government should think carefully about the regime that they have put in place.

I wish to make one or two points about the environmental effects, Mr. Deputy Speaker, as the Financial Secretary is bound to crow about that aspect when she answers the debate. Some of the claimed environmental effects are dubious, as are the figures on page 75 of the Red Book. I shall ask Sir John Bourn, the Comptroller and Auditor General at the National Audit Office, to use his new powers and new methodology to examine the figures and determine whether or not they are accurate. I suspect, Mr. Deputy Speaker, that those figures are mainly based on the fact of improved technology. Major reductions in carbon dioxide and nitrogen dioxide emissions have come about in the past few years through improved technology such as lean-burn engines and catalytic converters; the reductions have little or nothing to do with fiscal instruments introduced by the Government.

The hour is late, so I shall make only one more point, which is the competitive effect of the inflationary increases on heavy goods vehicles. In coastal areas, we shall find hauliers who have come from the continent with large spare tanks that were filled up on the continent; inland, they will have an unfair advantage over domestic hauliers because of the duties and increases that the Government have wrongly introduced in the Budget. That is why I shall support the amendment.

The Chairman: Order. I hope that, with the assistance of the editors of the *Official Report*, the hon. Gentleman

will be able to delete all references to Mr. Deputy Speaker, which he continued to make throughout his speech.

Dawn Primarolo: This has been a long debate and, with your guidance, Sir Alan, I should like to deal with both the amendment and the substantive clause in one go, if that would be in order.

The hon. Member for Cotswold (Mr. Clifton-Brown) referred to what he thought would be the likely impact on the retail prices index. I refer him to the answer given in Treasury questions last week, which gave the figures from 1990 on the impact of the escalator and fuel price rises, including the figures relating to the 10 per cent. increase imposed by Norman Lamont, to which my hon. Friend the Member for Shipley (Mr. Leslie) referred. Those figures do not bear out the hon. Gentleman's calculations.

Mr. Clifton-Brown: Will the Financial Secretary give way?

Dawn Primarolo: I should like to make some progress. This has been a long debate and hon. Members are keen to discuss other clauses.

Mr. Clifton-Brown: On a point of order, Sir Alan. I quoted the inflationary rise from the Government's own notes on clauses. Paragraph 12 of the notes on clause 7 states that the impact of the increase on inflation is 0.28 per cent.—

The Chairman: Order. The hon. Gentleman knows that that is not a point of order for me.

Dawn Primarolo: Perhaps the moral of this story is, give way and so avoid a spurious point of order.

The whole point of the Budget, including the increases under clause 4, was that it would be good for Britain. An overwhelming 53 per cent. of the population agreed; they accepted the principles that are now enshrined in the clause. My right hon. Friend the Chancellor is the most popular Chancellor ever after a Budget—Conservative Members obviously lament their failure to achieve such a record in government.

By far the largest number of submissions to the Government in response to the pre-Budget report were in connection with the environment. Those submissions encouraged the Government to make progress on environmental protection, and especially on achieving our targets on carbon dioxide emissions. Opposition Members clearly did not want to refer to the fact that the Kyoto agreement will be legally binding on us. It is an international agreement whereby we have to achieve a reduction in carbon dioxide emissions, and the clause is part of our strategy to do that.

Mr. Malcolm Bruce: Will the Financial Secretary give way?

Dawn Primarolo: The hon. Gentleman chose not to speak in the debate; I shall give way to him later if there is time, but, in fairness to hon. Members who did participate in the debate, I should address their points.

My hon. Friend the Member for Workington (Mr. Campbell-Savours) spoke about market definition in respect of super unleaded, but he appears to have been misled by the name of that product. He is right to say that there is a higher duty level on super unleaded, but that is because of the damage caused by the much higher benzine emissions. Super unleaded is used by a very small section of the community and is being phased out, as is leaded petrol.

My hon. Friend went on to refer to the availability of ultra low-sulphur diesel—

Mr. Clifton-Brown: Will the Financial Secretary give way? She is wrong again.

Dawn Primarolo: I give way.

Mr. Clifton-Brown: The Financial Secretary might not have understood her brief. The higher the lead levels in petrol, the lower the benzine levels, so super unleaded has a lower level of benzine than ordinary petrol.

Dawn Primarolo: I am clear on the fact that super unleaded contains more carcinogenic compounds. If the hon. Gentleman would care to debate the point with me in the Tea Room tomorrow morning, after I have been to the Select Committee on the Environment, I should be happy to oblige.

My hon. Friend the Member for Workington went on to refer to the availability of ultra-low-sulphur diesel. He is right to say that the Government's strategy of increasing the differential is designed to encourage wider availability of ultra-low-sulphur diesel. However, there has already been improvement: the Sainsbury supermarket chain, which started making ultra-low-sulphur diesel available in response to the previous Government's introduction of the mechanism, now provides it at more than 200 petrol stations and plans to extend that. Obviously, the Government are keen to ensure the availability of that product.

Elsewhere in the Bill, the Government have tightened the definition of ultra-low-sulphur diesel to ensure that the Bill delivers on the environmental objectives that we set out.

The general tenor of the debate seems to be, on the one hand, to complain that the Government have increased the fuel escalator and, on the other, to complain that we have not, and that we are not doing enough, quickly enough, to deal with CO_2 emissions and to deliver on the environmental commitments that the Government have and were elected on. For every argument that the escalator is too high at 6 per cent., others are advanced by the environment lobby, to the effect that it is not high enough and that more rapid progress is needed. The Government have sought to strike a balance, so that we deliver on our commitments on CO_2 reductions and study the fuels and their emissions to make progress on urban air quality as well as on CO_2 emissions.

7.30 pm

Several hon. Members said that there should be a reduced vehicle excise duty rate for rural areas alone, to recognise dependence on cars in rural areas because of the lack of public transport. A specific reduction for rural motorists would be incredibly expensive and cumbersome to administer within the system, but wide open to abuse, because other people could register in rural areas. The Government took the view—confirmed in today's

[Dawn Primarolo]

announcements by my right hon. Friend the Minister of Transport—that we should invest in a transport fund for rural areas.

Hon. Members may complain that that is not enough, but it is a huge increase on the money made available specifically for rural transport projects under the previous Government. The previous Government made available only £1 million. For all their concerns and worries about rural communities, and despite the fact that they had a 5 per cent. escalator—as opposed to our 6 per cent.—they made available only £1 million for rural initiatives, and now they have the cheek to say that we are not doing enough. As many hon. Members said, car owners buy approximately the same amount of fuel regardless of where they live. We have sought to ensure that all car users are making a contribution to the attainment of our environmental objectives.

The United Kingdom is taking a lead internationally in promoting action to reduce greenhouse gases, and duty must be a vital element in that strategy. We have put forward, in the Budget and in the Bill, a duty rate regime that recognises the damage that leaded petrol does, and increases pressure against its use. It recognises the damage that diesel does to the environment, and the need to encourage ultra-low-sulphur diesel, and therefore to adjust the duty rates for those two fuels.

We have ensured that gas oil and heavy fuel oils have increased by the same percentage as petrol and diesel. Duty for fuel gases is frozen again. We are considering commitments to introduce a vehicle excise duty regime that encourages people to have smaller vehicles which are more efficient, less polluting and better for the environment. That consultation is proceeding, but it takes time.

When there was criticism of the escalator, the previous Chancellor, the right hon. and learned Member for Rushcliffe (Mr. Clarke), said:

"Any critic of the Government's tax plans who claims also to support the international agreement to curb carbon dioxide emissions will be sailing dangerously near to hypocrisy."—[*Official Report*, 30 November 1993; Vol. 233, c. 939.]

Post Kyoto, to deliver on our commitments, we need to increase the escalator to deliver the cuts in carbon dioxide. We were asked whether it would have an effect. Institute of Petroleum figures show that, in the first nine months of 1997, inland demand for petrol fell. It did so only slightly, but it fell, and the escalator is feeding through into results.

The Government have ensured that the increase in the escalator is part of our environmental objective, and that we have a twin strategy to tackle the problems of transport in rural areas. Amendment No. 12 does not live up to the Conservatives' professed commitment to the environment. They have not told us how they would achieve the necessary reduction in CO_2 emissions if the amendment were accepted. Simply, they must decide whether they want to be committed to the environment and the difficult decisions that must be taken to deliver on that commitment, or whether they want to continue to make cheap political points across the Chamber. I had hoped that, given Conservative Members' commitments to the environment when they were in government, they might recognise the importance of this measure in the Government's strategy.

I ask the Committee to reject the amendment, not only because the revenue lost to the Government would be crucial, but because—most important—it would undermine our commitment to reach our CO_2 emission target, a Kyoto target which is steep, and, under the Government's commitment to the 20 per cent. reduction in particulates, very demanding. The strategy must start now, and clause 7 makes that start. I urge my hon. Friends to reject the amendment and to support the clause.

Mr. Malcolm Bruce: As the Financial Secretary was not willing to give way to me, I thought that I would speak briefly on the issues.

The Government appear to be making a strong case for increasing the tax in order to deliver what they regard as environmental benefits. It has been powerfully argued that many people in rural areas have no alternative to using the car, so they are obliged to pay more and continue to create the same amount of emissions. The Financial Secretary well knows that transport initiatives between towns and in cities are needed to reduce those emissions, and that, if the extra revenue were diverted to such initiatives, it would make a much more substantial contribution than it will if it is pocketed by the Treasury.

In the unamended version of the Red Book, it was projected that, by the year 2002-03, the escalator effect of the petrol increase would take the Government's receipts as a percentage of gross domestic product to more than 40 per cent.—the highest, apart from one year, that we would ever have achieved.

Two questions hang in the air. First, if the Government are so keen on the environmental benefits, why are they not using the money for the necessary transport? Secondly, if they are arguing that they need the revenue, how come they are finishing the year in which the forecast public sector borrowing requirement of the previous, Conservative, Chancellor was £19 billion in the red, and the out-turn is just under £1 billion? The Financial Secretary tells us that the Government are desperate for the revenue. Obviously, the position is improving, and the Government are simply taking more taxes from the taxpayer, neither offsetting them with tax cuts elsewhere nor delivering measures that would provide real help for people, many of whom have no alternative to the car.

We support amendment No. 12, because the Government must balance their claim that fuel duty is a green tax with real green measures, which will bring about the desired changes; and, potentially, they must offset a reduction in taxes elsewhere for the very substantial extra revenue that they are enjoying.

Mr. Heathcoat-Amory: It is obvious from the Financial Secretary's response to the debate that this tax-raising measure has little to do with protecting the environment and everything to do with increasing the Treasury's tax revenues.

The Financial Secretary has failed to answer our questions about the environmental consequences of the tax increases and the perverse incentives that are being introduced that could, in some cases, damage the environment. She has broken her promise to bring forward an environmental Green Book with the Budget statement. It is up to the Opposition to protect the British people and British industry from a wholly unnecessary and damaging £9 billion tax increase during this Parliament from the

increases in road fuel duties alone. The measure will raise taxes, damage competitiveness and hit all of those who rely on transport. I urge my right hon. and hon. Friends and others to support the amendment.

Question put, That the amendment be made:—

The Committee divided: Ayes 139, Noes 271.

Division No. 259] **[7.40 pm**

AYES

Allan, Richard
Ancram, Rt Hon Michael
Arbuthnot, James
Ashdown, Rt Hon Paddy
Atkinson, David *(Bour'mth E)*
Ballard, Mrs Jackie
Beggs, Roy
Beith, Rt Hon A J
Bercow, John
Blunt, Crispin
Brazier, Julian
Breed, Colin
Browning, Mrs Angela
Bruce, Malcolm *(Gordon)*
Burns, Simon
Campbell, Menzies *(NE Fife)*
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton–Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cotter, Brian
Cunningham, Ms Roseanna *(Perth)*
Curry, Rt Hon David
Dafis, Cynog
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dorrell, Rt Hon Stephen
Evans, Nigel
Ewing, Mrs Margaret
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Fox, Dr Liam
Fraser, Christopher
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gillan, Mrs Cheryl
Greenway, John
Grieve, Dominic
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heathcoat–Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Hunter, Andrew
Jack, Rt Hon Michael
Johnson Smith, Rt Hon Sir Geoffrey
Jones, Ieuan Wyn *(Ynys Môn)*
Kennedy, Charles *(Ross Skye)*
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Luff, Peter
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Mates, Michael
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Morgan, Alasdair *(Galloway)*
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Oaten, Mark
Prior, David
Randall, John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Russell, Bob *(Colchester)*
St Aubyn, Nick
Salmond, Alex
Sanders, Adrian
Sayeed, Jonathan
Simpson, Keith *(Mid–Norfolk)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Swinney, John
Syms, Robert
Tapsell, Sir Peter
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Wallace, James
Wardle, Charles
Waterson, Nigel
Webb, Steve
Welsh, Andrew
Whitney, Sir Raymond
Widdecombe, Rt Hon Miss Ann
Wigley, Rt Hon Dafydd
Willetts, David
Willis, Phil
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. John Whittingdale and Mr. James Cran.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Banks, Tony
Barnes, Harry
Bayley, Hugh
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Boateng, Paul
Borrow, David
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Stephen
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Canavan, Dennis
Cann, Jamie
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clwyd, Ann
Coaker, Vernon
Coleman, Iain
Cook, Frank *(Stockton N)*
Cousins, Jim
Cox, Tom
Cranston, Ross
Cryer, Mrs Ann *(Keighley)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Rt Hon Dr John *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dewar, Rt Hon Donald
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hanson, David
Heal, Mrs Sylvia
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay

Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Martyn *(Clwyd S)*
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kennedy, Jane *(Wavertree)*
Kidney, David
Killoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kumar, Dr Ashok
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
Mallaber, Judy
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Maxton, John
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Alan
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Rt Hon John *(Aberavon)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Roy, Frank
Ruane, Chris
Ruddock, Ms Joan
Savidge, Malcolm
Sawford, Phil
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stinchcombe, Paul
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Temple–Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Walley, Ms Joan
Watts, David
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Winnick, David
Wise, Audrey
Wood, Mike
Worthington, Tony
Wray, James

Tellers for the Noes:
Mr. Greg Pope and
Mr. David Clelland.

Question accordingly negatived.

Clause 7 ordered to stand part of the Bill.

Clause 10

RATES OF TOBACCO PRODUCTS DUTY

Mr. Heathcoat–Amory: I beg to move amendment No. 13, in page 5, leave out lines 24 to 30 and insert—

'1. Cigarettes	*An amount equal to 22 per cent. of the retail price plus £75.46 per thousand cigarettes.*
2. Cigars	*£112.62 per kilogram*
3. Hand Rolling tobacco	*£87.74 per kilogram*
4. Other tobacco products	*£49.52 per kilogram.'.*

Tobacco is subject to wholly unnecessary extra taxation in this massive tax-raising Finance Bill. Many of the arguments that I might deploy are similar to those that we used in the earlier debate on beer duty, so I shall not go into them in detail, but I shall allude to them.

The same phenomenon of cross-border shopping, combined with escalating illegality, occurs in the smuggling of both alcohol and tobacco. Again, there is evidence of increasing illegality, which is of great concern to the trade in general and smaller tobacconists in particular. All hon. Members who are in touch with trading interests in their constituencies will have been approached in recent weeks by representatives of the legitimate trade. Traders feel threatened and their businesses are undermined by an escalating tide of illegally supplied tobacco goods.

Estimates are inevitably somewhat speculative. The trade quotes a Customs and Excise figure of £690 million having been lost last year to tobacco smugglers. That figure comes from a written reply in *Hansard* on 17 February 1998 at column *528*, so it has certainly been quoted by Ministers. The trade points out that the true figure could be a great deal higher, but, by definition, what is illegal is difficult to measure.

Evidence comes not only from cigarette sales, but from the prevalence on our streets of brands of hand-rolling tobacco that are not legally on sale in this country. There is a brand called Drum, as I recollect from my time in the Treasury, which, as far as I know, is not retailed under that name in this country. Of course, it is possible that smokers legally and legitimately buy it overseas and bring it back, but I am afraid that the bulk of it comes in illegally, as it is easy to compress, hide and smuggle, and it is then resold as contraband.

Another feature of the tobacco tax is that it is not just a matter of known smuggling at ports and airports. There is also a worrying persistence of large-scale duty frauds. That does not involve people stuffing a few packets of cigarettes or hand-rolling tobacco pouches down their trousers and walking through customs; it involves sophisticated gangs who are manipulating a product, the cost of which, when it is legitimately sold, is more than three quarters duty. When the majority of the retail price is made up of duty, that is an invitation to people to take advantage of the situation fraudulently.

That can take the form of cigarettes or tobacco designated for export, on which duty is therefore not paid, finding their way back on to the home market. Recently *The Times* reported a haul of 18 million cigarettes, which was intercepted by Customs and Excise investigators at Heathrow. According to the report:

"The cigarettes were originally bought for export without duty being paid. Instead the smugglers planned to use the European Union's liberal freight transit controls and a paperwork fraud to divert them on to the domestic market. . . The result would have been a loss of more than £2.5 million in taxes. . .

Customs intelligence officers say that gangs have abandoned smuggling drugs such as cannabis and started cigarette operations, because the penalties if they are caught are far lower and the profits are still good."

The trade is therefore characterised by two features: smuggling by individuals and small gangs in vans, and large-scale fraudulent operations by sophisticated gangs. Together, they cost the Revenue large sums and undermine the legitimate trade. The position is getting worse. Not only are the Government putting up duty, but, as noted in our previous debates today, the strong pound has made it that much cheaper to buy abroad.

The trade not only affects the legitimate business, particularly small, high street traders, but has a damaging effect on children. When the cigarettes and tobacco are sold in an uncontrolled market, there is, by definition, no control over who buys them.

Sir Michael Spicer (West Worcestershire): Before my right hon. Friend leaves the subject of smuggling, is he aware of what is happening in other countries? In Sweden, smuggling has become so bad that, having tried massive indirect taxation on tobacco, the Government have now reduced taxation by 27 per cent. as a direct response to smuggling. I understand that Denmark is thinking of following suit. I hope that my hon. Friend will ask why the Government are not contemplating that, instead of the minor action that they are taking to stop smuggling.

8 pm

Mr. Heathcoat-Amory: My hon. Friend is right. He may have seen the report in the *Financial Times* on 15 April that Sweden has cut its excise duty on tobacco products by 27 per cent., precisely because it is threatened by cheap imports from its neighbours. We cannot realistically expect other European countries to increase their tobacco duties and close the gap between their rates and ours, as they are threatened by even cheaper supplies, typically from eastern Europe or the Mediterranean countries.

British Ministers sometimes ask countries with lower tobacco duties, such as Germany, to raise them for health reasons and as a useful source of revenue if, for instance, they are trying to comply with the requirements of the Maastricht treaty on the single European currency. They get the response, "We would like to, but we can't, as it would create in our country exactly the same problems that you face from smuggling and cross-border shopping."

There are severe constraints on member states and other countries caused by cross-border shopping and the prevalence of smuggling across what are increasingly open borders. Those who understand market economics realise—and even welcome—the discipline imposed by those constraints. The penalty that is borne by high-tax countries is much more effective than enforced harmonisation by the European Commission or anyone else. If we step out of line, we pay a penalty through loss of revenue caused by cross-border shopping and increased illegality through smuggling. That is what is happening in Britain. The Government are making a bad situation worse by ratcheting up the duties in pursuit of revenue, despite the evidence of the damage that is being caused.

Before the Government took office, they were apparently aware of that. In an earlier debate, I referred to the Prime Minister's pledge, as Leader of the Opposition, to conduct an urgent, independent and comprehensive study of the issue. However, the Government have not honoured that pledge. Customs and Excise has conducted a review, which the Government are keeping secret, on tobacco and alcohol smuggling, but it has not been published; so it is not the urgent, independent and comprehensive study that was promised; it is a serious broken promise by the Prime Minister.

Will the Financial Secretary make available the report by Customs and Excise? If she is unwilling to do so, will she say why, as it flies in the face of all the assurances from the Government on taking office that they wished to be open and give the public a right to know, that they had nothing to hide and wished to generate a well informed public debate? If they are sincere about that, the very least that they can do if they are not prepared to keep their pre-election promise of an independent review is to publish the one that has already been conducted by part of the Minister's Department.

Who will pay for the extra taxation on tobacco? An interesting study has been carried out by London Economics, a group of economists who have taken evidence, assembled information and published a review on the incidence of tobacco duty. It reveals a marked regressivity about the tax.

The report comments on the fact that increasing tax has a deterrent effect on smokers. I always knew that, but I had not realised the extent of it. That is intuitively rather obvious. It points out:

"It is mainly the better off (the top thirty per cent of householders by income) who have given up tobacco"—

presumably for other social reasons and pressures. The less well-off have not done so. The report comments that the tax is "extremely regressive" and

"becomes more so with each increase in duty."

The report includes research based on the family expenditure surveys for 1995–96 and 1996–97, and reveals that, in the latter of those two financial years,

"the poorest ten per cent of United Kingdom households spent almost 14 per cent. of their income on tobacco taxes whilst the richest 10 per cent. spent less than half per cent."

The survey includes non-smokers. If one concentrates entirely on those who smoke, the figures are rather startling. The data suggest that

"the poorest ten per cent of smoking households spend as much as a quarter of their income on tobacco compared to a little more than one per cent for the richest."

[Mr. Heathcoat-Amory]

The report estimates that

"savings to consumers from the one-off reduction in VAT on fuel, from eight per cent to five per cent"—

we hear about that constantly from Labour Members—

"may have been cancelled out by the first of the planned five per cent real annual increases in tobacco duty."

Not only are the Government taking back what they have given, but they will do so every year, while the reduction in VAT on fuel was a one-off measure. Perversely, they are encouraging smuggling in a way that does the most damage to the poorest people we represent.

Presumably that worried the Financial Secretary in opposition when she said on 23 January 1995:

"We have made clear our views on the health aspects on curtailing smoking and encouraging people not to smoke, but taxation is not the way to do that."—[*Official Report*, 23 January 1995; Vol. 253, c. 106.]

At that time, she did not feel that ratcheting up taxation on tobacco was a good way of achieving a health objective.

Mr. Leslie: During that debate on 23 January 1995, the right hon. Member for Wells (Mr. Heathcoat-Amory) said:

"Price rises are an effective way in which to reduce consumption"—[*Official Report*, 23 January 1995; Vol. 253, c. 113.]

Mr. Heathcoat-Amory: That is exactly what I said a few moments ago. Had the hon. Gentleman been listening, he would have heard me quote from a report that reached exactly that conclusion, although it pointed out that price rises had a much greater effect in deterring smoking in better-off households than in poorer households. I am willing to repeat what I said when the hon. Gentleman was nodding off: it is obvious that, if one increases the price of something, people will buy less of it. That is not a particularly remarkable observation. However, the increase does the most damage to poorer households. I am sure that the hon. Gentleman must have constituents on very low incomes who are hit in precisely the way that I described.

The measure is flying in the teeth of a serious law and order issue, whereby smuggled tobacco is resulting in uncontrolled sales to minors, in pubs and clubs and on street corners, and illegally to small tobacconists who sometimes cannot resist the opportunity to buy cheap supplies. All that must worry the Government, who, at least nominally, are committed to law and order.

Our amendment reduces the increases back to 3 per cent. in real terms. I am fully aware that the difference between 3 and 5 per cent. will not cause the difficulties that I have outlined to evaporate, but we are approaching breaking point, and that is why a review is important and why it is disappointing that the Prime Minister's promised review has not taken place. Meanwhile, I urge that the Committee revert to the previous escalator, which will at least avoid the more damaging implications of the Government's present policy.

Mr. Leslie: Listening to the right hon. Member for Wells (Mr. Heathcoat- Amory), one might forget that smoking kills people and that the rate of death and disease from smoking is far too high and needs to come down. It is essential that people, particularly young people, are deterred from smoking, and we must try to find ways of ensuring that tobacco consumption is reduced.

The new Government's commitment to the 5 per cent. escalator annually is extremely welcome. In 1993, the former Chancellor, the right hon. and learned Member for Rushcliffe (Mr. Clarke) said that the tobacco duty escalator

"is the most effective way to reduce smoking."—[*Official Report*, 30 November 1993; Vol. 233, c. 939.]

The higher tobacco duty escalator is widely accepted, certainly in my constituency—I have had no representations opposed to the 5 per cent. escalator—as necessary in the wider public interest for health and public protection.

If we can stop people smoking, we can consider redirecting resources currently used within the NHS for treating tobacco-related illnesses to other health care priorities. This fiscal measure is central to the Government's approach to public health and protection. In 1994, the then Minister of State, Department of Health, the right hon. Member for North-West Cambridgeshire (Sir B. Mawhinney), pointed out:

"every 10 per cent. increase in price—

of tobacco—

"produces about a 3 per cent. to 6 per cent. decrease in consumption."—[*Official Report*, 11 February 1994; Vol. 237, c. 617.]

That is an important example of cause and effect. One cannot compare VAT on fuel with tobacco duty, because heating is good for people and tobacco consumption is bad. The right hon. Member for Wells was wrong in that regard.

The annual escalator is a serious and strong deterrent. It is not an astronomical amount. It is a fair but firm amount, and it strikes the right balance in preventing the smuggling of excessive amounts of tobacco. There are more effective ways of dealing with that issue. In particular, the Government can reinforce the work of Customs and Excise and its officers while discouraging people from this harmful habit.

Conspicuous by its absence from the contribution of the right hon. Member for Wells was the cost to the Exchequer of the Opposition's amendment. The House of Commons Library tells me that £180 million would have to be found from public finances if the amendment were accepted. We hear nothing about where that money will come from. Would the Opposition cut public services, or raise taxes in another way?

Mr. Heathcoat-Amory: I am a little disappointed that the hon. Gentleman is raising this matter again, because I answered him earlier. The amendment simply marginally reduces the impending surplus, which is beyond what even the Government expected in the current financial year. Therefore, there is no need to find expenditure from elsewhere in the Government's programme.

Mr. Leslie: The right hon. Gentleman is effectively saying that he would borrow more money.

Mr. Heathcoat-Amory: No, it will come from the surplus.

Mr. Leslie: If we get into surplus we can consider that, but effectively the Opposition are looking at putting that amount on the PSBR.

We have heard nothing from the Opposition about how they will make up that lost revenue. The amendment is poorly thought out and, moreover, it is not in the interests of public health and the wider need to protect people's health throughout Britain.

Mr. Edward Davey (Kingston and Surbiton): The hon. Member for Shipley (Mr. Leslie) makes a telling point. Conservatives call for reductions in taxes on tobacco and beer. When they produce a costed set of accounts to put before the country, we shall be interested to see whether they include these policies—and to know the British people's reactions to those priorities.

The Liberal Democrats were highly critical of the Government during the previous debate, but the Government have got clause 10 about right. The right hon. Member for Wells (Mr. Heathcoat-Amory) talked about smuggling, and we heard about that in an earlier debate. It is clear from the figures for revenue lost and revenue evaded that one of the major problems is the smuggling of hand-rolling tobacco.

8.15 pm

The right hon. Member for Wells did not discuss the Government's proposals in that regard, but the Government have, rightly, frozen duties on hand-rolling tobacco, and that is pertinent to our earlier debate when the hon. Member for Beckenham (Mrs. Lait) questioned the source of my figures. I can give the detailed reference for them. They were from a press notice issued by HM Customs and Excise on 26 September 1997 entitled "Smuggling of alcohol and tobacco".

The breakdown of those figures makes it clear where the real problem lies for Customs and Excise. The £950 million that has been referred to today is made up primarily of losses on smuggled hand-rolling tobacco. In 1997, £540 million of revenue was evaded and £540 million lost. Of £950 million, more than half is accounted for by the smuggling of hand-rolling tobacco. Contrary to what we have heard from Conservative Members, the Government are freezing duty and cutting in real terms the excise duties on the products that are the focus of smuggling activity. I applaud the Government, therefore, because they have got the measure about right.

In comparison, the loss resulting from the smuggling of cigarettes and other tobacco products is £145 million. That is a significant amount; it is a worry and Customs and Excise needs to be more effective in tackling that loss. If one compares that loss of £145 million, however, with the loss of £540 million from hand-rolling tobacco, it is clear that the Government have analysed the problem and put forward a sensible solution. Therefore, the Liberal Democrats will support clause 10 and oppose the amendment. However, we hope that the Government will rigorously analyse the workings of Customs and Excise. I shall not detain the Committee by repeating my earlier argument, but it is probably even more important with regard to tobacco than to alcohol products.

The hon. Member for Shipley referred to the link between tobacco duties, and health. If anything, we would have supported the Government in further increasing tobacco duties with the one caveat that the resources thereby raised should be earmarked to go directly into the health service. That might have breached the spending limits inherited from the previous Government, but my constituents, and the constituents of many Labour Members, would not have worried about that. They would have welcomed extra cash for the health service, because it would have brought down waiting lists.

Every week, I receive letters from constituents, many of them elderly, who are being told by Kingston hospital that they will have to wait a little longer for their operation. The staff at Kingston hospital are working their hardest to reduce those waiting lists—and I congratulate them on their hard work—but, despite their best efforts, the lack of cash and the cuts, inherited from the previous Government but nevertheless severe, are affecting the standard of living of my constituents who are having to wait many months for operations for conditions that are causing them great pain.

If the Government had proposed to increase tobacco duty even more than they have done, and had put the money straight into the health service to tackle waiting lists, they would have had even more support than we are prepared to give them. Their overall strategy is right, but if they want to find other measures to solve public spending problems—although, with the massive war chest that they are amassing, there cannot be too many such problems, and they could have found resources elsewhere—they could use that route to try to sort out the mess in which the Conservatives left the national health service.

Mrs. Lait: I am somewhat uneasy in this debate on tobacco because I am not a smoker—I loathe smoking—and I believe that the most effective policy is a high tax policy. The problem is that the level of smuggling and bootlegging means that we do not have a high tax policy. Trying to get organisations such as Action on Smoking and Health, and the Government, to recognise that we do not have such a policy is a bit like beating one's head against a brick wall, but I will continue to do so in the hope that eventually the penny will drop.

I am concerned that the Treasury does not grasp the scale of the problem. The Financial Secretary is aware, because she answered them, that I have tabled a series of questions on tobacco and alcohol smuggling and bootlegging. I was chilled by the apparent lack of interest in grasping the problem.

I have asked questions about what action the Government are taking in their EU presidency to try to end the subsidy to tobacco farmers and what progress they are hoping to make in ECOFIN. I have also asked Departments to estimate the number of people whose benefits have been withdrawn because they were found to be smuggling and bootlegging. I have asked the Driver and Vehicle Licensing Agency what has happened to licences, and cars and vans involved in smuggling and bootlegging. I have asked how many licences have been withdrawn from licensed premises because they were retailing smuggled and bootlegged goods.

I accept that not all those issues are the responsibility of the Financial Secretary, but answers have come there none, so it is difficult for the Treasury, let alone the poor Back Bencher, officially and graphically to describe the effects of smuggling.

I found in the Red Book an interesting point, which I followed up with a question to the Financial Secretary, about the forecast excise receipts. They showed that, for both alcohol and tobacco duties, the Treasury was

[Mrs. Lait]

expecting a reduction in income of £100 million in each case. I sent the Financial Secretary a note asking whether she could explain that, and answer has come there none, so perhaps the Treasury does not understand what is happening.

Other organisations—for example, customs, which is on the front line—know exactly what is happening and are trying hard to cope. An incident in Dover in October was reported in the *Sunday Mirror*, which said that Customs made a raid in which

"the bootleggers fled as £70,000 of illegal booze and cigarettes were seized. But after a heavy drinking session at a nearby pub, the gang returned . . . and tried to get their haul back. 'We were cataloguing everything we had seized, when the smugglers stormed the place,' said one Customs official."

The history of smuggling and bootlegging immediately brought to mind a parallel situation in 1747, when smugglers tried to regain bootlegged goods in the Poole customs house. We are reverting to what happened 200 years ago, and there are strong parallels to show what should be the proper response.

The police have conducted an analysis of people involved in smuggling and bootlegging whom they have caught. They are not members of big gangs, but poor mules. The analysis shows that 90 per cent. of those involved are unemployed and drawing benefit, so the Department of Social Security should be able to answer my questions. Seventy per cent. of those involved have a criminal record; 40 per cent. are from outside Dover; 25 per cent. of crimes such as burglary and car theft in the Dover area—

The Chairman: Order. The amendment does not relate specifically to smuggling. The hon. Lady must relate her remarks specifically to the proposals in the amendment relating to the duty on tobacco.

Mrs. Lait: Indeed, Sir Alan, I will. I accept your guidance, but I am trying to build up a case to show why the amendment will help to reduce smuggling.

The Chairman: Perhaps the hon. Lady should accelerate the build-up.

Mrs. Lait: I will, with pleasure.

The police have analysed the problem, and it cannot be beyond the wit of the Treasury to do so.

Another point of which the Government have made great play and with which I have great sympathy is the effect on health of increased smoking. High levels of duty mean that, when youngsters can get hold of cheap tobacco, they are likely to do so. I asked the Library for information about the worrying increase in the number of young smokers. We must remember that the single market started on 1 January 1993. The number of young smokers peaked in 1984 and dropped until 1988. Between 1988 and 1993, the figure was stable. In 1996, the level of smoking among youngsters was as high as it had been in 1984. I suggest that, although there are complex reasons why youngsters smoke, there is a clear correlation between the opening of the single market and the subsequent availability of cheap tobacco, and the number of youngsters who smoke.

All those factors show the need to deal with the problem caused by the high levels of taxation of tobacco. As my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) said, the problem is worsening. There has been a noticeable increase in the smuggling and bootlegging not only of hand-rolling tobacco, which the hon. Member for Kingston and Surbiton (Mr. Davey) mentioned, but of cigarettes.

Dave West, who runs the Smoking Warehouse in Adinkerke in Belgium, said that before last December's rise in cigarette prices, he was selling a negligible number of cigarettes. He is now describing what happened on 1 December as a gold rush, and he is looking forward to his second gold rush this December.

Mr. Cranston: Can the hon. Lady explain the results of a 1996 MORI survey, which showed that the preferred cigarette brand among young people was Benson and Hedges—the most expensive—and that consumption by young people was attributable more to advertising than to smuggling, which was not even considered in the survey?

Mrs. Lait: The hon. Gentleman may care to know that the cost of UK cigarette brands from Dave West is £1.80. Compared with the cost in the UK, that has a much more significant effect on people's consumption of cigarettes than advertising. As I have already been called to order on the issue of smuggling, I dare not go down the route of the advertising debate.

I shall draw my remarks to a close in the hope that some of the information that I have provided to the Financial Secretary will bring home to her the scale of the problem of tobacco smuggling and bootlegging. We need a clear policy on reducing the profit from smuggling and bootlegging tobacco. The policy that affects duty on tobacco in this country comes from Belgium, not from the British Government, and we need to take that fact into account when thinking about how to deal with the problem of the nation's health.

I shall sum up by quoting Adam Smith, who was a customs commissioner. He said:

"The high duties which have been imposed upon the importation of many different sorts of foreign goods, in order to discourage their consumption in Great Britain, have in many cases served only to encourage smuggling; and in all cases have reduced the revenue of the Customs below what more moderate duties would have afforded."

I hope that the Financial Secretary will put in train some of the inquiries surrounding the broader issue of the health of the nation, which have been brought about by high tobacco duties, and look favourably on our amendment.

8.30 pm

Dawn Primarolo: The right hon. Member for Wells (Mr. Heathcoat-Amory) ignores all the health arguments and proposes that, to help the poor, the escalator on cigarettes should be reduced from 5 per cent. to 3 per cent.

As my hon. Friend the Member for Shipley (Mr. Leslie) said, the health consequences of smoking are at the heart—if hon. Members will excuse the pun—of our strategy. It is worth reminding the right hon. Member for Wells—who clearly needs reminding—of them. Some 80 per cent. of the 40,000 deaths from lung cancer each year are attributed to smoking, and 20 per cent. of the

180,000 deaths from heart disease each year and 80 per cent. of the 30,000 deaths from bronchitis, chronic obstructive airway diseases and other types of illness are attributed to smoking. There is a 20 per cent. higher risk of death to babies born to mothers who smoke. Women who smoke run a ten times higher risk of heart attack, stroke or cardio-vascular disease, and smoking may affect fertility.

We know that babies born to mothers who smoke are lighter, and that paternal smoking also makes babies lighter through passive smoking once the baby is born. Smokers lose, on average, more than one day of their life each year. About half of all regular smokers in developed countries are eventually killed by cigarette smoking. The growth in smoking among teenagers and young adults has a dramatic impact on their life expectancy. The risk of dying from lung cancer is associated with the length of time a person smokes, as well as with the amount that he or she smokes. Even when a person has given up smoking, the consequences to his or her health remain higher than for those who have never smoked. That is the context in which the Government set their policy of raising the escalator on cigarettes and tobacco products excluding hand-rolling tobacco.

Opposition Members referred to smuggling. I take your guidance, Sir Alan—this is not the subject of the clause—and I do not intend to speak at length on it. The Government recently announced their intention to deal with persistent offenders, to ensure that more people face disqualification from driving and that the criminals who smuggle pay compensation for the revenue evaded through smuggling. Publicans and off-licence and restaurant owners could, after prosecution, find their liquor licences revoked.

I cannot give the hon. Member for Beckenham (Mrs. Lait) answers about the consequences of those actions, because the Conservative Government did not pursue such policies. I feel a little frustrated by today's debate because Conservative Members cannot, or perhaps will not, understand that this Government have a strategy that their Government failed to put in place. We should be clear about the scale of the problem. The right hon. Member for Wells pointed out that the Government of which he was a member were committed to using taxation as part of their health policy. The then Secretary of State for Health repeatedly referred to the importance of taxation in deterring people from smoking. I agree that it is important, but it should not be done in isolation. We need health education and strategies to ensure that not only tax but other methods are used to encourage people not to start smoking or, if they already smoke, to stop.

The hon. Member for Beckenham referred to reducing smoking among young people. We absolutely agree with her about the importance of that. The Government's strategy moves in parallel with our tax strategy to reduce smoking among young people. It is set out in detail in the tobacco control White Paper, which will be published later this year. Opposition Members complain that we have not done enough in 12 months, not that we are moving in the wrong direction. I presume that tonight's discussion is to fill up time on the Floor of the House rather than to make genuine suggestions about an alternative strategy.

I shall not be tempted to discuss whether Opposition Members care about the poor. It is an insult to poor people that, having been in power for 18 years, Conservative Members have only just noticed that they exist and that taxation policies have an impact on them. The right hon. Member for Wells was a Minister in both the Foreign Office and the Treasury. His sudden discovery that policies might impact on the poor is breathtaking. Where has he been, not to have noticed after all this time the impact that the Conservative Government's policies had on the poor?

The hon. Member for Kingston and Surbiton (Mr. Davey) spoke about the importance of freezing duty on hand-rolling tobacco. We are continuing to pursue our policy with regard to cigarettes, but recognise that, as part of the strategy that we are developing to tackle smuggling, there are special problems with hand-rolling tobacco.

May I say to the hon. Member for Beckenham that the idea that those engaged in smuggling are poor mules, feckless people or Jack the lads is ridiculous. People who buy goods from smugglers put money in the back pockets of criminals and deny revenue to the Treasury, which means that it cannot be spent on public services. Instead of advocating that the Treasury should cut moneys available to public services by cutting duty rates, the hon. Lady should join us in decrying the criminal activity of smuggling and encourage and support the Government's action.

Mrs. Lait: May I ask the Minister to add to her reading list some books about smuggling in the 18th and 19th centuries? That would indicate to her the solution to the problem. "The Albion Tree", one of the best, is available in the House of Commons Library.

Dawn Primarolo: If the hon. Lady is seriously telling me that smuggling has been around for a very long time, I must say that I agree with her. If she is saying that we need complex strategies to tackle it, I also have to agree with that. However, I would encourage her to find a solution in this century rather than seeking refuge in the past. She might pay a little more attention to the strategies that the Government are deploying rather than lamenting the fact that we are not behaving as if we were in the 17th century: I leave that to her hon. Friends.

Several points were made about the Swedish Government's announcement on 14 April that they intend to reduce duty on cigarettes by 27 per cent. in 1999. They will achieve that by reducing specific rates. I was asked why we do not take similar action in the United Kingdom. First, we would lose £2.4 billion in a full year, which is the equivalent of 1½p on the basic rate of income tax. We are not prepared to countenance the loss of that revenue.

Secondly, I do not know the hon. Lady's position on Europe, but she seemed to imply that we should allow other member states to determine our duty rates. She prayed in aid the Swedes' activities in reducing their rates, as did the right hon. Member for Wells. That is a solution to their problem, but information from Customs and Excise and the tobacco industry suggests that the problem of smuggling in Sweden is much greater than the problem here, much as we regret our own. Customs and the Tobacco Manufacturers Association are discussing reliable methods of trying to estimate the overall scale of cigarette smuggling—a problem that, as the hon. Lady and others have said, is beginning to emerge.

In the light of our earlier debate on beer duty, it frankly beggars belief that the hon. Lady and others say that we have no enthusiasm for tackling smuggling and the

[Dawn Primarolo]

problems that it causes. Imported cigarettes and smuggling are a problem not only for the UK and other European Union member states with high-duty regimes; they are also a problem for those with low-duty regimes. The hon. Lady's causal connection between duty and smuggling is not a fair representation of the complexity of the problem.

The Government have made it clear that, on health grounds, our policy is correct. We have given more money to the health service than we would have done by linking the escalator to money moved across to the health service, as the hon. Member for Kingston and Surbiton suggested we should. I remind him that the Government have already given an extra £2 billion to the national health service. Our commitment to funding health and education is clear, in terms of priorities.

I ask the Committee to reject the amendment, which would reduce duty to 3 per cent., and to support the duty of 5 per cent. and our phrasing on hand-rolled tobacco, as they are the best ways to deliver the Government's health policy. That would recognise that we are dealing vigorously with the problems of smuggling and will not allow that criminal activity to continue to undermine public expenditure and public revenue.

8.45 pm

Mr. Heathcoat-Amory: We have heard the Financial Secretary at her worst. She either could not or would not answer our questions. I remind her that she said in the House in 1995—I gave the quotation earlier—that increasing taxation is not the way to reduce consumption of tobacco or to deal with the health effects.

I asked the hon. Lady what had caused her to change to her mind. Switching from Opposition to Government has clearly had an extraordinary effect on her attitudes. Apparently she now thinks that there is no way of dealing with this problem other than by increasing prices and taxation.

It has occurred to my hon. Friends and me that the Government have changed their mind on another way of tackling tobacco consumption—through advertising. The Committee will remember that the Labour party won the election on a clear pledge to stop advertising on formula one racing cars. The Prime Minister changed his mind, and broke that pledge. It was later discovered that Bernie Ecclestone, who persuaded him to do so, had given £1 million to the Labour party. Lucky old Bernie got his bung back on that occasion, but we are left with a broken promise and the fact that the much heralded ban on tobacco advertising has not come into effect. Perhaps that is why the Government are relying more on increasing duty on tobacco.

My knowledgeable hon. Friend the Member for Beckenham (Mrs. Lait) has drawn attention to the seriousness of the smuggling or bootlegging problem and the culture of illegality to which it has led. The Financial Secretary said that she was concerned about that, but she clearly is not grappling with the problems. The proposed increases widen the gap between continental rates of duty and our own, which will make the situation worse.

The Financial Secretary said that there was a problem of young people taking up smoking, and, during our debate, other hon. Members have recognised the seriousness of that problem. If tobacco products are smuggled in, they are made available outside Government controls on the sale of tobacco to minors. It is an unruly and anarchic market, and it leads to young people taking up smoking. For that pure health reason alone, the Government ought to think twice before increasing the escalator to 5 per cent.

Opposition Members have shown how savagely regressive this policy is. The Financial Secretary appeared entirely ignorant of that. If she did recognise it, she seemed entirely uninfluenced by it. We conclude that the Government's concern about the poor and those on low incomes is entirely synthetic. The figures I quoted earlier showed that smoking households in the bottom decile spend up to a quarter of their income on tobacco products. That ought to worry members of a party that, until fairly recently, had at least a published concern for the needy and the disadvantaged.

My final point, which the Financial Secretary continues to avoid, is that the Prime Minister recognised, before the election, that there was a problem. He said so when he was looking for votes in the tobacco industry and related industries. He promised an independent, urgent and comprehensive study. He has broken that promise. When will the hon. Lady publish the substitute study, by Customs and Excise, to inform our debates, and the public, about the real facts behind the Government's taxation policy, which is driven entirely by revenue considerations? The health issue is purely a smokescreen; it is revenue that the Government are after. If they disagree, let them publish a report on the matter.

Mr. Patrick Hall (Bedford): Will the right hon. Gentleman give way?

Mr. Heathcoat-Amory: The hon. Gentleman has not contributed to the debate, and I do not propose to give way to him. In any case, it is not from the hon. Gentleman that I shall get an answer to the following question, because he is not in a position to give one. When do the Government intend to fulfil their pre-election promise, on which the hon. Gentleman and others stood, to undertake an investigation of this issue and publish the results? Until that happens, we shall conclude that the clause is revenue-driven. I urge the Committee to accept our amendment.

Question put, That the amendment be made:—

The Committee divided: Ayes 106, Noes 303.

Division No. 260] **[8.50 pm**

AYES

Ancram, Rt Hon Michael
Arbuthnot, James
Atkinson, David *(Bour'mth E)*
Beggs, Roy
Bercow, John
Blunt, Crispin
Brazier, Julian
Browning, Mrs Angela
Burns, Simon
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Dorrell, Rt Hon Stephen
Duncan Smith, Iain
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Fox, Dr Liam

Fraser, Christopher
Garnier, Edward
Gibb, Nick
Greenway, John
Grieve, Dominic
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Hunter, Andrew
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Mates, Michael
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
Moss, Malcolm
Norman, Archie
Paice, James
Prior, David
Randall, John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Simpson, Keith *(Mid-Norfolk)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Wardle, Charles
Waterson, Nigel
Whitney, Sir Raymond
Widdecombe, Rt Hon Miss Ann
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. John Whittingdale and Mr. Stephen Day.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossend'ale)*
Armstrong, Ms Hilary
Ashdown, Rt Hon Paddy
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Ballard, Mrs Jackie
Banks, Tony
Barnes, Harry
Bayley, Hugh
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Best, Harold
Blackman, Liz
Blizzard, Bob
Boateng, Paul
Borrow, David
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm *(Gordon)*
Burden, Richard
Burgon, Colin
Burstow, Paul
Butler, Mrs Christine
Byers, Stephen
Cable, Dr Vincent
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Canavan, Dennis
Cann, Jamie
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Chisholm, Malcolm
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coleman, Iain
Cook, Frank *(Stockton N)*
Cotter, Brian
Cousins, Jim
Cox, Tom
Cranston, Ross
Cryer, Mrs Ann *(Keighley)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Rt Hon Dr John *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Cunningham, Ms Roseanna *(Perth)*
Dafis, Cynog
Dalyell, Tam
Darling, Rt Hon Alistair
Davey, Edward *(Kingston)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dewar, Rt Hon Donald
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Ewing, Mrs Margaret
Fearn, Ronnie
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hancock, Mike
Hanson, David
Harvey, Nick
Heal, Mrs Sylvia
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Martyn *(Clwyd S)*
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kennedy, Charles *(Ross Skye)*
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
McWalter, Tony
Mallaber, Judy
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Maxton, John
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Alan
Moffatt, Laura
Moonie, Dr Lewis
Moore, Michael
Moran, Ms Margaret
Morgan, Alasdair *(Galloway)*
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Rt Hon John *(Aberavon)*
Mudie, George
Mullin, Chris

Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Oaten, Mark
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Roy, Frank
Ruane, Chris
Ruddock, Ms Joan
Russell, Bob *(Colchester)*
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stinchcombe, Paul
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tyler, Paul
Wallace, James
Walley, Ms Joan
Watts, David
Webb, Steve
Welsh, Andrew
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Wills, Michael
Winnick, David
Wise, Audrey
Wood, Mike
Worthington, Tony
Wray, James

Tellers for the Noes:
Mr. Clive Betts and
Mr. John McFall.

Question accordingly negatived.

Clause 10 ordered to stand part of the Bill.

Clause 11

RATES OF GAMING DUTY

Mr. Michael Fallon (Sevenoaks): I beg to move amendment No. 14, in page 5, line 33, leave out subsection (1) and insert—

'(1) In the Table in section 11(2) of the Finance Act 1997 (rates of gaming duty) the figures in the left-hand column under the heading "Part of gross gaming yield" shall be increased on 1 April each year in line with the increase in the retail index of prices over the previous twelve months.'.

The Second Deputy Chairman of Ways and Means (Mr. Michael Lord): With this, it will be convenient to discuss amendment No. 15, in page 5, line 39, leave out '£1,500,000' and insert '£3,500,000'.

Mr. Fallon: We now turn to gaming. Perhaps it is appropriate, as the night draws on, that we turn to the tables. I would not suggest for a moment that you are an habitué of any other table than that at which you are presiding, Mr. Lord. However, you may not be aware, as the rest of the Committee may not be aware, that gaming is a big industry in Britain. There are 115 casinos in this country, 21 of which are in London. The industry employs 12,000 people, one third of whom are employed in London.

Gaming is not just a big industry, but a successful one that attracts overseas visitors and earnings to Britain. Gross overseas receipts last year were £879 million. The industry contributed £141 million to the public revenues in tax in 1996-97.

When we were in office, we recognised the success of the industry. In the latter part of our time in government, we did not propose the increases in duty contained in the clause to which our amendment is addressed. On the contrary, we proposed a programme of sensible deregulation. I declare an interest as an unpaid member of the Government's deregulation task force, which, from 1995, sought to make it easier for casinos to open in new areas and to modernise the industry, allowing advertising and making it easier for people to be members of casinos. Above all, we treated the industry with respect.

This Government have changed that. Without warning, they have slapped a £25 million increase on gaming duty. The industry calculates that the figure may be nearer to £30 million. I see the Paymaster General nodding. I am glad to see him confirm that the Government's figures may be wrong on that. By nodding, he has proved my point. The increase has been slapped on the industry arbitrarily.

For £3 million casinos, the increase in duty is 12 per cent. For £5 million to £12 million casinos, the increase is about 50 per cent. For £20 million casinos, the increase is 30 per cent. The top rate of duty has been upped by 40 per cent. There is no logic behind the progressive increases in duty. This is a dawn raid with a vengeance.

Mr. Gardiner: I stand to be corrected by the record, but I believe that the hon. Gentleman said that the duty was being upped by 40 per cent. I trust that he meant upped to 40 per cent. from the old rate of 33.33 per cent.

Mr. Fallon: Subsection (2) increases the top rate of duty to 40 per cent. I am talking about the various bands in subsection (1). The increases are varied and arbitrary, depending on the size of yield. The increase could be 12 per cent., 50 per cent., 30 per cent. or 40 per cent. In the middle bands, the increase is around 50 per cent. An arbitrary, illogical, irrational increase has been foisted on the industry.

The industry was not consulted. It was not informed or warned, and there was no discussion of the issue. I am doubly grateful that the Paymaster General is here this evening. When we were discussing corporation tax yesterday, he lectured us on the importance of consultation. He said:

"I regret to tell him that the Opposition have to learn that the Government—as we will discuss later when we come to individual savings accounts and other matters—are prepared to consult, to listen and to change policy, as we have done. That is nothing of

which we should be afraid or ashamed. We recommend that the Opposition learn from that."—[*Official Report*, 27 April 1998; Vol. 311, c. 66.]

Mr. Robert Ainsworth (Lord Commissioner to the Treasury): Hear, hear.

Mr. Fallon: The Whip says, "Hear, hear," but there was no consultation, no warning and no proper discussion with the industry on gaming duty before the tax was suddenly imposed. Indeed, it is suggested not only that the industry was not informed but that the Home Office, the industry's sponsoring Department, was not aware of the proposed increases until the Budget was announced. All that from a Government who claim to be pro-business. We read in our copies of the *Evening Standard* on Friday that there might be further tax cuts for business, but tonight we are debating a clause that imposes a tax increase on business. Casinos across the country were pole-axed on Budget day.

Just in case the Paymaster General or the Financial Secretary does not quite realise what he or she is doing, I shall lay out for them the effect on the two biggest operators in London. There are 21 casinos in London, and 10 of those are controlled by only two groups: London Clubs International and the Capital Corporation. Within days of the Budget announcement, 30 per cent. of the value of their share prices was wiped out. That was the effect of this arbitrary, irrational, cack-handed attempt to grab more revenue from the casino industry.

I do not want to hear any excuse from Government Front Benchers in response to our amendments, or any suggestion that duties may be higher elsewhere in Europe—they may be higher. Other casinos in Europe—perhaps the Paymaster General knows some of them—have fewer invigilators, and pay their staff in tips rather than salaries.

On amendment No. 14, I do not want to hear the Financial Secretary say—if I can have her attention—that we did not index gaming duty. We did not have to. We understood the industry; indeed, we were proposing a programme of deregulation to help it. We were not in the business of suddenly slamming on a 40 per cent. increase in gaming duty.

The amendments offer the Financial Secretary a way out. Amendment No. 15 would reverse one of the most damaging increases. Amendment No. 14 would index duties for ever. At least then the industry would know where it stood. It would be protected from dawn raids in future; it would not suddenly face an arbitrary increase. *[Interruption.]* I am surprised that Ministers find the matter funny when 12,000 jobs are at stake. Amendment No. 14 would index increases so that there could be no temptation for Ministers suddenly to impose quite savage, arbitrary and ill-thought-out increases in duty.

Apart from those two suggestions out, there are plenty of other ways out of the impasse. I understand that various talks are going on between the industry and officials, who now accept the ill-thought-out nature of the Financial Secretary's proposals. The other ways out include phasing the various increases—if she really insists on them—over three years. It is not often that an industry that is suddenly taxed by a so-called business-friendly Government sees 30 per cent. of its value wiped out on the stock exchange. There is a case for phasing the increases over three years. Perhaps the Financial Secretary will admit that the various banding increases have not been worked through properly. She might be prepared at least to look at the way in which the increases impact.

In the end, it is up to the Financial Secretary. She must decide how to justify inflicting such increases on one of our most successful British businesses. If she does not, the industry will know that similar increases may be levied each consecutive year. The industry attracts a considerable amount of overseas earnings, which could quite easily pass over to Amsterdam, Frankfurt or any of the European capitals with which the Paymaster General is so familiar. If the Financial Secretary does not listen, it will be clear that she is not prepared to defend this industry, and that she regards it as some kind of milch cow for future tax revenue.

Amendment No. 14 gives some protection and puts the industry beyond the grasp of the Financial Secretary. It will ensure that future duty increases are only ever linked to the annual rate of inflation. That kind of safeguard was not necessary during our term of office, but it is certainly necessary now.

9.15 pm

Sir Teddy Taylor (Rochford and Southend, East): We have just discussed a series of measures to give the Government more cash from taxing alcohol, hydrocarbon oil, tobacco and other items. The Government will receive a great deal of extra cash, which I hope they spend wisely. I hope, in this case, that the Financial Secretary will agree to have a second look. I want to persuade her that the proposal is irrational and unfair, and will seriously affect jobs.

In my constituency, leisure and recreation are major employers. The Financial Secretary will know that we have quite high unemployment—about 9 per cent. When we try to encourage the sea-front to do better and to invest some money, it makes a big difference. We have received investment recently which we hope will help but, in general, the problems with employment in seaside towns are serious.

I have two casinos in my constituency, located at the Westcliff sporting club. I should like the Financial Secretary to think about some figures which have been sent to the Chancellor of the Exchequer. The club's duty for last year was £563,000. The club has calculated what it would pay under the new proposals; it says the figure would be £876,000, an increase of 56 per cent. These figures are either right or wrong, but on the basis of my discussions with people at the club, I think they will be right.

Mr. Fallon: It sounds as if the casino in my hon. Friend's constituency is a middle-ranking casino in terms of income, and he is describing an increase of more than 50 per cent.—the information provided to the House of Commons. I can assure him that that sounds right. Middle-ranking casinos in the capital or the provinces are facing increases of more than 50 per cent.

Sir Teddy Taylor: My hon. Friend is absolutely right. The way in which the tax will apply will not impose a straight increase of a certain amount, but one which varies from place to place. In Southend, we have one of those middle casinos. I have never had the opportunity of

[Sir Teddy Taylor]

playing in it, but I have seen around it. Those in charge appear to be good employers who appear to run a good business.

In a seaside town—where things can be tough and where unemployment tends to be high—it seems irrational to impose the increase. In London clubs—where exciting people come from overseas countries, and where they appear to be wealthy—one might see that there is an opportunity to get more tax. It seems rather unfair on an organisation that has spent an enormous amount on investment and is a major employer in our area.

The second point that I hope the Financial Secretary will bear in mind is that, in taxing alcohol and cigarettes, the increase can be passed on to the customers. There is simply no way in which casinos can do that. It might be possible in the long term for the club to put up the amount one pays to become a member, but even that amount will be limited.

Thirdly, the Financial Secretary should be aware that the company is a substantial employer. The Westcliff sporting club provides an academy which trains 150 persons a year. It has had little co-operation from the authorities in providing what it regards as a major public service. It also pays a substantial amount in value added tax; as you know, Mr. Lord, casinos have to pay VAT even on bad debts, which are not recorded.

I appreciate that there have always been some doubts in the House of Commons about the validity of casinos. Some people think that, like smoking, casinos are a bad thing which should be banned. Of course, they have a perfectly good case. Others think that casinos should be encouraged. However, as we have these activities, it seems desperately unfair to impose massive sudden tax increases and to apply them in such a way that particular casinos in particular areas are hit particularly hard. Such a massive increase is unfair on Southend-on-Sea.

We are already very restrictive in the case of casinos. For example, unlike other industries, we do not allow them to advertise. As the Financial Secretary is also aware, this tax is not on profits, but on gain before costs.

I appreciate that Governments who want to get a lot of money sometimes look around for obvious targets—the sort of thing about which people might not complain—but the basic question is: is the Financial Secretary confident that this extra money can be secured without jobs being destroyed, without some casinos having to close and without some reduction in the industry?

If the industry is simply a sitting duck with lots and lots of money everywhere, one can appreciate that the Government may have a case, but I have a feeling that they have gone too strong on this one and that they have introduced it in such a way that it is particularly unfair to particular places. Of course, I feel very upset that Southend seems to be hit harder than other areas. I hope that the Financial Secretary will examine that.

What can the Financial Secretary do? I appreciate that, in such debates, it is unusual for Ministers to say that they are going to overturn their decisions and change the Budget. However, I hope that she will say that she will examine the impact of the tax as it applies to particular areas, or at least that she has open mind on how the measure might be applied. Changes can be made if things are unfair.

I appreciate that, like all Governments—goodness knows, I had plenty of arguments with the previous one—the Government do some bad and some good things, and sometimes make mistakes because they are under a lot of pressure. I feel that, in this case, a mistake has been made. Unfairness has been introduced and I therefore hope that the Financial Secretary will say that she will reconsider the matter and at least keep an open mind on what is a serious issue for the people of Southend-on-Sea.

Mr. Edward Davey: Until earlier today, my personal knowledge of the casino industry was, to say the least, limited. I am not someone who is taken with gambling. I may be the only hon. Member who has yet to buy a national lottery ticket. That is not, I hasten to add, because I have something against gambling; I do not wish gambling to be banned. It is more because, as a modern economic man, I take my decisions on a rational basis, and it is clearly irrational to gamble. It is only justified as a consumption good. Some people like the experience of gambling and want to spend money on it. That is fine for them, but I choose not to.

There are concerns when gambling becomes an addiction; that is why this and past Governments have sought to regulate the gambling industry. However, in this measure, the Government are not showing particular social concerns. People who use casinos, particularly London casinos, are international gamblers who cross the globe to gamble. I do not think that the Government's aim is to help those people with their gambling problem. It is clear that the Government want to raise revenue; that is the main point of the measure. However, they are going about it in the wrong way.

As other hon. Members have said, this is a large increase in a very short time. That is a bad way in which to introduce any new tax and, for the casino industry, it is particularly bad. It will affect a small number of businesses very severely immediately. As the hon. Member for Rochford and Southend, East (Sir T. Taylor) has said, it will result in people losing their jobs. That will happen not just in constituencies such as his and those of my right hon. and hon. Friends who have coastal constituencies where there are casinos for tourists, but in London. I have constituents who work in the casinos in central London, and they are concerned that the tax may lead to their losing their jobs.

As the hon. Member for Rochford and Southend, East said, it is difficult for the tax to be passed on. I have had to refer to other sources to understand that, because tax increases can often be passed on to the consumer. Apparently, the edge that the house has over the player is laid down by law, ranging from between 0.6 and 5.6 per cent. in blackjack to between 1.5 and 5.6 per cent. in dice, so the tax cannot be passed on.

To recoup their investment, the business owners will have to make efficiencies elsewhere. Their main costs are staff and property, so staff will be made redundant. That causes a problem for the underlying commercial health of casinos, because it is important for the industry to have in-built inefficiencies. To attract people into the casinos in one capital city rather than another, they have to have subsidised food and lots of people pandering to the punters' every need. Laying off staff may undermine casinos' long-term health.

The other danger is that gambling could be driven underground. The Gaming Act 1968 was supposed to prevent mafia-type underground gambling operations,

with all their appalling implications. I am sure that the Government are not trying to push gambling back that way, but such a huge increase in so short a time could lead in that direction.

The Government are in danger of killing the goose that lays the egg. Revenues may decrease in the medium term, as casinos close or high-income gambling operations go out of the regulated sector.

We shall oppose the Government and support the amendment. I am sure that the Government will defeat the Opposition's combined efforts, so I shall propose an alternative that they should grasp, in the form of the improvements in the regulatory regime to which the hon. Member for Sevenoaks (Mr. Fallon) alluded.

In the dying days of the previous Government, the Home Office published some sensible proposals in a document, "Second Consultation on Casino Deregulation", which would have been implemented in the unhappy event of the Conservatives being re-elected. The proposals would have made it easier for people to apply for membership of a casino on the night or by post, and enabled casinos to market their services in a limited way. There are huge restrictions on what casinos can and cannot advertise, and the proposal was for very minor deregulation. The consultation process revealed little opposition to that, and I believe that it should be pressed ahead with.

The casino industry and the previous Government supported other minor deregulatory measures, such as allowing up to three slot machines per table in casinos and extending the "permitted areas" in which casinos can operate. They were minor deregulations, but they would have significantly helped the industry. In response to the paper, the Gaming Board re-emphasised to the previous Government that those changes were likely to lead to a substantially enlarged industry. So my point to the Minister is that, if the Government intend to tax the casino industry in this way—as they are likely to do come the 10 o'clock Division—they should reconsider the consultation paper and those deregulatory proposals.

I do not think that an enlarged casino industry would cause any major social problems. There are many other aspects of the gaming industry in which those problems could be looked at. The deregulatory proposals would enable the casino industry to take the effect of higher taxes in its stride and still grow and meet the extra impost that the Government seek to levy tonight. That would mean that the scenario that I have painted would not occur, and that the revenues of the Government would not fall in the medium term.

9.30 pm

Amendment No. 21 in my name and that of my hon. Friends was tabled not in relation to casinos but to flag up to Ministers the fact that the extra duty on amusement machines in clause 12 will cause great problems to working men's clubs and non-profit-making organisations. We want to flag that up before the Bill goes into Committee Upstairs because we want the Government to pay attention to it. We do not intend to move the amendment tonight, but we want the Government to take cognisance of our concerns about that clause. We hope that the Government can put to the Committee some alternative proposals.

We intend to oppose the Government tonight. The extent of this latest tax increase and the speed at which the Government are proceeding with it almost beggars belief. It is a massive increase in a very short time. The only way in which the Government can ensure that it does not damage the casino industry in the immediate future, let alone the medium term, is to come to the House at the earliest opportunity with some significant deregulatory proposals.

Mr. Andrew Lansley (South Cambridgeshire): I am grateful for the opportunity to speak in this brief but none the less useful and important debate on the impact of clause 11 on the casino industry. Those who have listened to the debate or who come to read it in days ahead may regard us as a remarkably abstemious crew. I share the position of the hon. Member for Kingston upon Thames—am I right?

Mr. Davey: And Surbiton.

Mr. Lansley: I beg the hon. Gentleman's pardon. I had the right part of the world, but not the right constituency. The hon. Member for Surbiton.

Mr. Davey: Kingston and Surbiton.

Mr. Lansley: I doubly beg the hon. Gentleman's pardon. I have been wrong twice. I shall go for a third time in a minute.

The hon. Gentleman said that he had not bet in a casino, indeed not bet anywhere. I have to say that I am not so abstemious. I buy a national lottery ticket from time to time. I recall that, in the debate on the National Lottery Bill, plenty of Labour Members said that they did not buy a lottery ticket but were happy to spend the proceeds in diverse ways. I suspect that, similarly, the Government are perfectly happy, whether or not they are players in casinos, to tax them and spend the money.

I declare a former interest, in the sense that, in a previous employment, I had occasion to advise Ladbrokes and the Betting Offices Licensees Association. In that context, I wrote a short pamphlet on the regulation of the gaming industry—the betting and gaming industry, I should say, lest I offend it—which meant that, for that short moment, I understood something of the industry. As you may be aware, Mr. Lord, the trouble with debates in the House of Commons is that it is not at the moment that one understands something that one is invited to comment on it. I have had to relearn some of the things that I once understood about the casino industry.

The change from 33.33 to 40 per cent. in the top rate of duty seems steep on first impression, but it is only when one begins to put it alongside the change in the bandings that one begins to realise what the overall impact is. The hon. Member for Brent, North (Mr. Gardiner)—I am pleased that he is in his place—may have the chance to help me, because I am not competent, least of all without a calculator, to work out the effective increases in the average rate of duty caused by the change in banding combined with the change of the top rate for given levels of gross gaming yield in casinos.

The exchange between my hon. Friends the Members for Rochford and Southend, East (Sir T. Taylor) and for Sevenoaks (Mr. Fallon) made it clear that the effective

[Mr. Lansley]

increase is quite steep, even for middle-range casinos, but more significant is the impact on the marginal rate. Under the changed banding structure, a modest gross gaming yield of £2 million in the half year might lead to a marginal rate of duty of 25 per cent. as opposed to 12.5 per cent.

At the margin, tax often acts on incentives, and its impact on cash flow affects the viability of the business. The hon. Member for Kingston and Surbiton (Mr. Davey) was right to mention the inability to pass on to players the costs of such a tax; they will come straight off the bottom line, so it was not surprising that the share price reacted in such an alarming fashion. My hon. Friend the Member for Sevenoaks was right to draw attention to that. I hope that Ministers were also alarmed and that they did not foresee the consequences. If they foresaw them, they should have reconsidered the impact of the measure.

We should also consider the scale of the measure. The previous top rate of duty—33.33 per cent.—would have applied at £5.4 million of gross gaming yield in the half year. The new figure of £2.9 million is a little over half the previous level. The two changes have perniciously been introduced together. It would have been better to leave the banding structure in place and to apply more straightforwardly the duty that the Government think is required to raise additional revenue, if it was indeed necessary to raise it.

For casinos, the duty is not a tax paid in isolation and instead of other tax; it is paid in addition to VAT, corporation tax and modest licence fees. From the British Casino Association survey of the third quarter of 1997, I derived the figure of £141 million, so the industry pays a handsome sum to the Exchequer before the Exchequer has its further pound of flesh.

I take account of what my hon. Friend the Member for Rochford and Southend, East said, but the burden of my argument is that the impact of the measure is disproportionately skewed towards London casinos and larger casinos. Duty was previously paid in proportion, 15 per cent. by provincial casinos and 85 per cent. by London casinos. The duty increment proposed by the Government will be paid 3 per cent. by provincial casinos and 97 per cent. by London casinos.

There are two points of significance in that. First, the Government thought that they were aiming at a soft target and that the additional charge would be levied on London casinos with overseas players or players who are UK-based, but not UK nationals—people who do not form a political constituency. Secondly—the consequence that the Committee should find worrying—is that, in so far as the duty is levied on London casinos, the impact falls disproportionately on overseas players who bring substantial earnings to this country.

I approach the subject not as one who is principally interested in the structure of the betting and gaming industry, although I have an interest in that, but as one who is concerned about trade and industry matters. In the trade context, it is extraordinary that, at the moment when sterling is high and it is difficult for casinos, the tourist industry and London to maintain their attractiveness to those who have to change their money to sterling to spend it in this country, the Government think it right and appropriate to impose swingeing increases that damage the relative competitiveness of the London casinos—which are important contributors to our overseas earnings—and have a particular impact on certain groups of individuals of high net worth who operate in an internationally mobile environment.

Is it any wonder that we have seen press reports—I have no knowledge as to whether they are well founded—that speculate about London clubs decamping to Las Vegas for their headquarters and operations? That would be entirely retrograde. When discussing the London casinos, we are speaking not only about significant benefits in terms of overseas earnings but about individuals who, while in London, are likely to be significant contributors to earnings of foreign exchange via hotel accommodation, investment and consumption expenditure.

My hon. Friend the Member for Sevenoaks referred to the overseas earnings figures, which are impressive: £880 million overseas source receipts in 1997, of which the London casinos—those that benefit most substantially from overseas visitors—took in £160 million. It is worth noting that, if the United Kingdom's casinos were rendered into one company rather than one industry, their overseas earnings would put them into the top 100 exporting companies in this country. That is a measure of their value. I see the Paymaster General is interested in this point.

Mr. Fallon: He likes big numbers.

Mr. Lansley: Then perhaps he will be interested in these numbers: not only would those earnings put the casinos into the league of the top 100 exporting companies, but they employ a larger number of employees—11,720 in the most recent survey I have read—than, for example, Vauxhall Motors. I know that the Paymaster General has taken a close personal interest in the future of Vauxhall at Luton, so it would be retrograde were he not to take an equally close interest in the financial and competitive health of this country's casino industry, which, like the motor manufacturing industry, is a direct contributor to our overseas earnings.

There is a tendency to talk about the importance of manufacturing, but I learned from Keith Joseph at the Department of Trade and Industry that what we really need to focus on is the internationally tradeable sector. Because of its revenue earnings from overseas sources, the casino industry in this country is a significant internationally tradeable sector, on which the measure that the Government are proposing could have a significant and damaging impact.

The measure has three retrograde aspects. It is on the wrong scale at the wrong time for an industry that makes a significant contribution to our balance of payments. Only this morning, I was hearing about the record monthly level of adverse balance of payments running on our current account, but the measure we are discussing will do nothing to help in that respect. However, the measure is focused on the London casinos and their appeal to an overseas and internationally mobile group of people—the, from memory, about 220,000 overseas members of London casinos. No doubt those people make a substantial but unquantified further contribution to our overseas earnings and to the tourism and other earnings of the United Kingdom economy.

As my hon. Friend the Member for Sevenoaks forcefully and rightly argued, the measure was proceeded with without consultation with the industry—potentially, I suspect, without the Treasury's adequate foreknowledge of its implications, and perhaps even without proper consultation with Government about its likely impact and whether it was desirable in industry terms.

The industry will be right to look to the Committee to ameliorate the measure. Amendments Nos. 14 and 15 would help to do so, especially No. 15, which proposes a change in the banding structure. With justification, the industry would look to the Government to take account of the obvious and severe adverse impact of the measure, and would look for transitional provisions—not least because of the present high level of sterling. It will hope that the Government will, this time, listen to the debate and propose, at a later stage, some measures of their own to relieve the adverse impact. I support the amendment.

9.45 pm

Mr. Gardiner: Ornipathology has never been my strong point, but when the hon. Member for Kingston and Surbiton (Mr. Davey) complained about the death of the goose that laid the egg, my heart did not bleed. Anxiety has been expressed in Committee tonight about the way in which the proposals may affect employees in the industry. I have received from my constituents—whom I have told that I would raise the issue tonight—letters addressed to "Dear . . . ", saying:

"I am writing in connection with the serious threat posed to the London casino industry and particularly to my employer"—

I shall not name the employer, for fear of encouraging more high rollers to visit the establishment—

"by the proposed increases in gaming duty announced in the Chancellor's recent budget.

These proposals have serious implications for jobs within the casino industry in London."

Those were the cyclostyled letters that I received. Let us now examine how serious the implications are for jobs in the casino industry in London.

We heard from the hon. Member for South Cambridgeshire (Mr. Lansley), correctly, that 3 per cent. of the effect of the measure would apply to provisional casinos—

Mr. Lansley: Provincial.

Mr. Gardiner: I am sorry. We have heard that 3 per cent. of the effect would apply to provincial casinos and 90 per cent. to the London casinos. I believe that that effectively deals with the intervention by the hon. Member for Eastbourne, showing that the bulk of the measure is aimed at London casinos.

Sir Teddy Taylor: First, I am not the MP for Eastbourne. Apart from that, the proposed increase would require casinos in my constituency to pay more than an extra £300,000 in duty, which is a lot of money and amounts to an increase of 56 per cent. It cannot be said, therefore, that the increase does not matter; it matters a great deal to the medium casinos.

Mr. Gardiner: The facts are clear. A 2.5 per cent. tax rate is being levied on the casino's gross gaming yield—its gross profit—up to £400,000. In the middle bracket, which we are discussing, we are talking about between £400,000 and £2.9 million. That is the gross profit that those organisations are making.

Mr. Lansley: Will the hon. Gentleman give way?

Mr. Gardiner: I am afraid that I must press on because of time. In usual circumstances I would give way, but I think the hon. Gentleman will agree that we must keep our comments short before a 10 o'clock closure.

Mr. Lansley: There is no closure.

Mr. Gardiner: I will press on.

On the impact that these measures are likely to have on jobs in the industry, I cannot conceive that the additional levies will be passed on to employees, the cost of whom is minute in comparison with the profits that these companies make.

The hon. Member for South Cambridgeshire referred to problems that might arise with the balance of payments and his concerns about overseas earnings. He said that he did not want to deter the high rollers from coming to London and frequenting London casinos. As the hon. Member for Kingston and Surbiton pointed out in his arguments about the edge that must be applied, those costs will not be transmitted to the high rollers because they are limited by the edge that the casinos are allowed, by law, to charge.

Mr. Lansley: The hon. Gentleman referred to gross gaming profit, but he will realise that it is in fact gross gaming yield. I argued not that the players—"high rollers" is a pejorative term—will be deterred by a change in the edge, but that the casinos might have to contemplate the relative competitiveness of operating in London compared with other locations.

Mr. Gardiner: That is a spurious argument. London is an international centre, and any major casino that can locate here will want do so in order to get its market share in situ. London will not suddenly be denuded of casinos as a result of this measure.

Mr. Fallon: The hon. Gentleman represents a London constituency. Is he seriously defending a sudden increase—introduced without warning—of 40 per cent. on the duty that top London casinos will bear? How can he, as a London Member, say that casinos in London will be unaffected and will sail on, competing on an equal footing with casinos in Amsterdam or Frankfurt, while bearing an unexpected increase of that kind?

Mr. Gardiner: I want to nail the statement that the hon. Gentleman has now made twice in the Chamber. He has claimed that there is an increase of 40 per cent. I am sorry, but the duty will increase from 33.33 per cent. for the top rate to 40 per cent. According to my mathematics, that makes an increase of 6.7 per cent. It is important to appreciate that the top band will increase by only 6.7 per cent. It is spurious to claim that there is an increase of 40 per cent.

There is a change in the banding, which will certainly impact on the revenue collected by the Exchequer. However, that puts an obligation on Her Majesty's

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Opposition to state where they propose to get the additional £25 million in revenue which this measure would raise. There is no question of it damaging jobs in the industry or of casinos leaving London. There is no question either that the Opposition will be extremely hard pressed to state from where that £25 million should come.

Dawn Primarolo: I am amused by the image that the hon. Member for Sevenoaks (Mr. Fallon) has of my hon. Friend the Paymaster General. He apparently believes that my hon. Friend possesses some qualities that I do not and that I do not know enough about casinos and have never visited any. Presumably, the hon. Gentleman believes that I do not have a playgirl image—although he felt able to make a pun about the fact that my first name is Dawn. I suppose that, in some respects, that reveals his perception of these matters—which seems rather shallow.

The hon. Gentleman advanced the case that the previous Government were benign to the casino industry because it was important to the economy. Yet they kicked manufacturing industry all around the room in terms of their support for it.

The proposal is not ill thought out. I shall deal with the amendment and with the Government's intentions. If the amendment was designed to encourage the Government to reconsider the proposal, the rather ungenerous tone in which the hon. Gentleman advanced his case would lead me to suggest to the industry that it should look for another spokesperson in the House, who concentrates more on the industry's case and less on scoring political points against the Government. The hon. Member for Rochford and Southend, East (Sir T. Taylor) advanced that case and described the difficulties that he foresaw.

The previous Government did not consult on every tax rise. For various reasons, the Chancellor does not usually consult on changes to duty rates. For example, consultation may not be undertaken on measures that could lead to a temporary distortion in market behaviour. Clearly, the City did react to the increase in gaming duty, and consultation before the Budget may have exacerbated the problem. The Opposition's point about consultation is therefore spurious.

Mr. Fallon: I pointed out that 30 per cent. of the value of two companies quoted on the stock exchange was wiped away within days of the announcement. Does the hon. Lady accept that it might have been better to consult, at least on the detail of what she was proposing?

Dawn Primarolo: The hon. Gentleman's Government did not consult on putting VAT on fuel. Indeed, they promised not to do so, and then they did it. Now the Opposition have the cheek to say that this Government do not engage in proper consultation.

Some serious points were made in the debate, and I shall reply to those. That is how the Committee would expect us to respond. The argument covered four categories: the phasing of the introduction of the increase; bad debt; indexation; and the structure of the bands that are being introduced, to which the hon. Member for Rochford and Southend, East referred particularly. He argued that the burden of the increase falls less on the profitable casinos and more on those in the middle band.

Reducing the bands would not result in casinos other than the top, most profitable clubs paying increased amounts of duty. The Government's proposal is deliberately designed to spread the burden of the tax, attaching it to those casinos most able to bear it. It is the Government's opinion that the industry pays an unfair level of tax: it could pay additional tax. The industry's response has not been to dispute whether it could afford to pay the increase or whether it should pay it, but to argue about the distribution of the tax.

We reject amendment No. 14, as we do not believe that it provides the way forward. Moreover, it is technically flawed. Our solicitors advise us that it is not possible to amend the Bill in a way that commits the Government to the indexation of duty bands. The table in section 11(2) of the Finance Act 1997 would need to be amended with the updated figures on each occasion that the bands were indexed, and on each occasion a clause would be required specifying when the changes came into effect.

Let me deal first with the changes to the gaming duty bands and the top rate of gaming duty. The House will wish to know that the casino industry is under-taxed compared with most other betting and gaming sectors. However, there is little scope for increasing the duty burden on smaller, less profitable casinos.

10 pm

There is every indication that the casino industry is thriving and can afford to pay the increased duty. Receipts of gaming duty are up on previous years, and the drop—the amount staked at a casino—has increased, particularly in larger, more profitable casinos. In the 12 months to December 1997—the most recent figures we have—the drop in larger, more profitable casinos increased by around 8 per cent. over the previous 12 months, and the gross gaming yield increased by around 10 per cent. That demonstrates the industry's ability to pay more tax.

Secondly, I am aware of the industry's representations on indexation, and I am persuaded that there is a case for creating an environment that allows the industry and its investors a reasonable level of certainty in which to operate and plan. Therefore, I am prepared to give a commitment to index the gaming duty bands for the remainder of this Parliament.

That said, I should make it clear that, if the business climate in which the casinos operate were to change significantly—through further deregulation, for example—we would not rule out the possibility of further restructuring the duty in future, to ensure that the level of taxation remained fair. Subject to that proviso, I accept the principle of indexation for the lifetime of this Parliament. However, the amendment proposed by the Opposition is unacceptable, in that it attempts to nullify the changes to the duty bands and rates, and is technically flawed by the way in which it deals with indexation.

I now turn to the restructuring of the bands proposed in amendment No. 15. I am not persuaded by the argument that the amendment would reduce the liability of London casinos as the proposed changes would significantly reduce the revenue that we intend to collect from the casino industry. It is quite clear to the Government that the industry can afford to pay the additional duty.

I am aware of the trade representations concerning the structure of the duty bands, in particular the impact of the Budget changes on some of the less profitable London

clubs—those with gross gaming yields of between £5 million and £12 million—and the points that the hon. Member for Rochford and Southend, East made about his experience in Southend.

I shall continue to ensure that the forecast revenue yield on the measure is maintained, but as a member of a Government who are prepared to consult and listen, I am prepared to consider the industry's proposals on the best way forward in respect of the structure of the bands. As has already been said, my officials continue to discuss the issue with representatives of the industry. I shall report back to the House with my findings.

The amendments are unnecessary and defective, and do not represent the best interests of the taxpayer in ensuring that the Government receive a fair tax yield from the casino industry. As I have said on a number of occasions, the industry is under-taxed compared with most other betting and gaming sectors, and we believe that it can afford and should pay the proposed increase in the name of fair taxation. Therefore, I ask the Committee to reject amendments Nos. 14 and 15, and support the Government in the clause. I hope that my comments tonight, particularly on indexation and restructuring the bands, will be helpful to the Committee.

Mr. Fallon: This has been one of the most rewarding debates that we have so far enjoyed in Committee and, perhaps, in this Parliament. I thank my hon. Friend the Member for Rochford and Southend, East (Sir T. Taylor) for drawing the Committee's particular attention to the plight of provincial casinos. That has been well highlighted tonight, and I am sure that the Government are now aware of the impact of what they propose, which does not fall entirely disproportionately on London but, as my hon. Friend so skilfully pointed out, also impacts on some of the provincial casinos.

I thank the hon. Member for Kingston and Surbiton (Mr. Davey) for his support for the amendment. He well illustrated the differential effect of the Government's proposals and the uncertainty caused to an industry that expected the Government to continue the well thought out deregulation proposals of the previous Government.

I thank my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) for the detailed flaws that he exposed in the Government's proposals. Conservative Members were amazed to hear the hon. Member for Brent, North (Mr. Gardiner) sneer at the effect on London employment. In this his capital city, 4,500 people are employed in the industry. He did not seem to think that that mattered. He did not seem to think that it was even worth concentrating on the difference between gross profit and gross yield.

Mr. Gardiner *rose—*

Mr. Fallon: Before the hon. Gentleman tries again, I remind him that we are talking here not about the difference between the effective rate levied previous and subsequent to the Budget, but about the difference in duty. The difference in duty for casinos with a yield of between £5 million and £12 million, is an increase of the order of 50 per cent., and for casinos above that, an increase of between 40 per cent. and 30 per cent.—not of the order that he suggested.

Finally, I come to the Financial Secretary's remarkable speech. We had some blustering about the Government not needing to consult. That was not what we heard last night from the Paymaster General. He took a pride in the consultation. He admitted that the Government got it wrong on individual savings accounts and on corporation tax. He took pride in the fact that the Government were ready to come to the House and correct the detail.

We heard a new theory on consultation tonight—that the Government can levy any duties that they think of, and, if they get them wrong, it does not matter. Happily for the casino industry, and happily for our future considerations on the Bill, the Financial Secretary has run up the white flag. She has accepted for the first time in our proceedings the principle of a Conservative amendment. She has said—we thank her for this—that the Government accept amendment No. 14. The first time that any Government have considered the principle of indexation for casino duty, she has said that a Labour Government have to be bound by it. Only a Labour Government could suddenly impose the kind of duties with which the industry were faced, which wiped 30 per cent. off the share value of two of London's leading operators.

The Financial Secretary pointed out quite fairly that, in some respects, amendment No. 14 may be technically defective. Fine. But she has accepted the principle of indexation. Never again will she or her Chancellor in this Parliament come to the Dispatch Box and impose that kind of 40 per cent. increase. Tonight, the Financial Secretary has run up the white flag and said that she accepts that gaming duties should for ever be indexed to the retail prices index. We thank her for that and for her surrender, and I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That the clause stand part of the Bill.

Mr. Fallon: I welcome this debate, which is necessary only because the Financial Secretary did not respond to some of the general criticism made by me and the hon. Member for Kingston and Surbiton (Mr. Davey).

When the Conservatives left office almost a year ago, we left in train a sensible, well-planned programme of deregulation, whereby there would be new casinos in different areas of the country and—picking up on the well-worn theme of modernisation—the casino industry would be modernised. We suggested liberalising the gaming industry by allowing, as the hon. Member for Kingston and Surbiton mentioned, a more enlightened membership system that would include postal and group membership, whereby groups of visitors from America and beyond could pre-book tours of London casinos. The programme would allow a modest measure of advertising—not nationally, but in telephone directories and hotels.

Finally, we advocated deregulating the industry to enable certain casinos to have more gaming machines. We suggested an increase from six machines to 20.

We should not pass the clause without raising those issues, because we will have no further opportunity to do so during the consideration of the Bill. I understand that almost all that deregulation has been put on hold. Measures that were expected to be implemented last October were delayed until this spring, and, as the Chancellor of the Duchy of Lancaster confirmed to the Select Committee on Deregulation this morning, they are

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further to be put on hold. The industry faces not simply a massive, unjustified increase of 40 per cent. in duties, but no guarantee of further progress in the deregulation that the previous Government set in train and to which we thought the successor Government were committed.

It would not be right for us to give the clause final approval without hearing from the Financial Secretary what proposals she has to implement the deregulation measures that we set in train. If she does not want to prolong the debate or encourage me to intervene again, I hope that she will explain to the Committee why the clause should stand part of the Bill.

Question put and agreed to.

Clause 11 ordered to stand part of the Bill.

To report progress and ask leave to sit again.—*[Mr. Robert Ainsworth.]*

Committee report progress; to sit again tomorrow.

Planning Permission

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Robert Ainsworth.]*

10.14 pm

Mr. Oliver Heald (North-East Hertfordshire): I am glad to have an opportunity to raise the issue of the operation of section 100 of the Town and Country Planning Act 1990. It may seem a dry subject, but when it is applied to the circumstances that have arisen in my constituency, it becomes of great importance.

Section 100 allows the Secretary of State to revoke planning permission that has previously been granted. I raise the issue against the background of what has happened in Radwell. I shall outline the history of the case, then ask the Minister what assurances he can give. That will be the best way to examine section 100 in the context of the problem in my constituency.

In 1992, an application was made to build a motorway service area at junction 10 on the A1(M). That site is next to Radwell, a pretty Hertfordshire village with a lake, which is well known locally as a beauty spot. There was great concern locally when the scheme was promoted; those who objected included most of the residents of the village, the parish council and local residents such as Nigel Hawthorn, who said, "No, Minister," on that occasion.

During 1992, the campaign grew, and, early in 1993, it became apparent that a planning inquiry was required. The statutory consultees for the planning process were served with the original planning application and the plan that went with it. One of those consultees was the National Rivers Authority, which had an opportunity to consider the plan. At that stage, the scheme was to cut very little into the chalk on the top of the hill at Radwell, so it seemed that, with conditions, the scheme could be acceptable. The National Rivers Authority put forward its recommendations on that basis, although it pointed out that it had a separate jurisdiction to grant a licence for water abstraction, or consent to discharge water and sewage off the site, and it made it clear that it would look at all the environmental protection aspects at that point.

Shortly afterwards, just before the inquiry team met in 1993, a new plan was produced. It was never shown to the National Rivers Authority. The inquiry proceeded for seven days, and was bitterly contested. After much deliberation, the inquiry inspector came out in favour of the scheme, and the Secretary of State approved it finally in September 1994.

The background to the scheme is that the A1(M) was to be widened. A motorway service area seemed a good idea, at least to the developers. Much of the purpose of the scheme collapsed shortly after planning permission was granted, because the widening was not to go ahead within the roads programme. There was then a long delay of three years before anything else happened. At that point, an application was made for detailed planning permission.

By that time, the National Rivers Authority had become the Environment Agency, but when it saw the detailed planning permission, it was clearly horrified because the depth by which the scheme would cut into the chalk on the hill at Radwell was far greater than it had realised. The difference between the first and second plans was that, instead of the site being developed on the top of the

hill, it was to be depressed by some 6 m into the hill. That was proposed for the best possible reasons: the developers wanted to screen the local landscape from the motorway service area, to meet one of the key objections.

However, the effect in environmental terms was serious. The NRA never knew that. When the Environment Agency saw the detailed plans, it put in what could only be described as a strong objection to the detailed planning permission.

In its objection letter of 7 October 1997, the agency said:

"Groundwater boreholes in this area indicate groundwater level is only 4.5 metres below ground level hence the development would be positioned below the water table.

The Agency objects to the proposed development as submitted on the following grounds. The site is located over a vulnerable 'major' aquifer used extensively for potable water supply"—

drinking water, that is—

". . .The proposed development including storage of fuel, drainage of car parking, foul water disposal and substantial reduction of ground levels represent a major risk of pollution to ground waters at this location."

Let me explain that a bit. The hill at the top of Radwell is a chalk aquifer like a large sponge. The water from the aquifer feeds into the River Ivel and the Radwell lake, and becomes a tributary of the River Ouse. The aquifer is therefore quite an important component of the drinking water supply in our part of the eastern region.

There is an additional aspect. Putting the site so deep into the chalk meant not just that oil and other pollution would sink into the sponge—the aquifer—and cause a major risk of pollution, but that the two local rivers, the Ivel and the Hiz, which rely on the aquifer to be provided with water, might well be disrupted. It was possible that the drinking water supply would be contaminated, and that there would be problems affecting the supply of water from two local rivers, both of which have been dry in recent years, following the lack of rainfall. There was a prospect of serious problems.

In its objection letter, the agency said that it would be prepared to support its decision with evidence at an appeal. Following that, the NHDC was very anxious, and took the matter up with the Government office for the eastern region. Many local residents took the matter up with me, and I have made my only inquiries with all the relevant authorities. I had the opportunity, with Michael Meredith Hardy, the campaign co-ordinator, to meet the Environment Agency regional general manager.

When the objection letter went in, the Environment Agency thought that it might be able to stop the scheme. It is clear from my researches, however, that, once the detailed planning permission stage is reached, an issue of principle such as this cannot be dealt with at that stage. It seems that a major pollution risk may well be there, but it is hard luck, in that the decision has already been made. That is essentially what is said in letters to me, and to others, by all relevant authorities.

To local residents, the local councillor, to North Hertfordshire district council and to me, it is simply unacceptable that such a gross error can be made in the planning process and nothing can be done about it. It simply is not acceptable that the water supply in our area can be contaminated, and rivers can be made dry, because of some mistake in the planning process. I think that everyone locally shares that view. I ask the Minister whether it is possible for section 100 to provide some relief.

Section 100 says that it is possible for the Secretary of State to revoke a planning permission. I understand that, when the matter has been considered in the House on earlier occasions, it has been said that, if there is a gross error and if a substantial public interest is involved, it is possible to exercise the power. Perhaps the Minister will give some reason why that cannot be done. I hope not. Plainly, there should be a fail-safe mechanism in the planning process so that such problems cannot lead to the risks that the Environment Agency has outlined. The agency is taking legal advice on the matter. I have asked for a meeting with Lord De Ramsey, who is the chairman of the agency, and perhaps a formal application will come to the Minister.

The debate gives the Minister the opportunity to explain whether there is a fail-safe mechanism. If there is not, there jolly well should be. The scheme is a disaster for Radwell, anyway. People do not want to be illuminated all night by a motorway services area. They have been dead against the scheme from the moment it started. It is one thing to have an ugly scheme on one's doorstep, but another to have one that actively damages the environment.

What is the Minister's response to the difficult situation in Radwell? Perhaps he could put the matter in context and explain the operation of section 100 in such circumstances.

10.25 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Nick Raynsford): I congratulate the hon. Member for North-East Hertfordshire (Mr. Heald) on securing the debate. I am grateful to him for writing to me in advance with details of his concerns, because that enables me to give a fully considered response.

I am pleased to have the opportunity to respond, as it enables me to explain the Government's policy on the revocation or modification of a planning permission, and to cover the hon. Gentleman's concerns. I hope that, by the end of the debate, he will be reassured that there are safeguards that will protect the interests of his constituents.

Section 100 of the Town and Country Planning Act 1990 is a default power. It enables the Secretary of State to take action to revoke or modify a planning permission, after following specified procedures. There is provision for compensation to be paid by the local planning authority should a claim subsequently be made by a person with an interest in the land.

The Secretary of State's practice is to use the power only rarely. Like earlier Secretaries of State, he takes the view that the power should be used only if the original decision is judged to be so grossly wrong that damage is likely to be done to the wider public interest. He may also be prepared to exercise the power to revoke a planning permission when he considers that consistency is needed between a planning authority's decisions in different cases to ensure that similar circumstances give rise to similar decisions and that the provisions of the development plan, so far as it is material, and other material considerations have been fully taken into account.

[Mr. Nick Raynsford]

It should be remembered that development plans aim to give a measure of certainty and predictability to the system. Section 54A of the 1990 Act requires that, where the development plan contains relevant policies, applications for development that are in accordance with the plan shall be allowed unless material considerations indicate otherwise. Conversely, applications that are not in accordance with relevant policies in the plan should not be allowed unless material considerations justify granting a planning permission.

The Government and local authorities work through the planning system to reconcile the conservation of the environment with development needs. That task cannot always be carried out to everyone's satisfaction. It often involves the difficult task of reconciling finely balanced issues. It would be wrong, as well as impractical, routinely to review instances when planning permission has been granted against that background.

I should emphasise that a planning permission may, in general, only be revoked or modified before the operations permitted have been completed. It may be modified or revoked if it has been partially exercised, but revocation or modification orders cannot affect any development that has been completed, and cannot be made in respect of a change of use once that change has taken place. That does not apply in this case, but I mention it so that the hon. Gentleman may be aware of the ground rules.

Section 100 is available to the Secretary of State to use as he thinks fit, after consultation with the local planning authority. As I have said, intervention by the Secretary of State can be justified only in exceptional circumstances. Between 1955 and 1992, the power was utilised to revoke a planning permission in only 19 cases. Since then, there have been only two more, the most recent of which was in March this year. Although not commonplace, it is more usual for local planning authorities to initiate their own revocation or modification orders under section 97 of the Town and Country Planning Act 1990.

To set the figures I have just given about the Secretary of State's use of the default power in context, I remind the hon. Gentleman that local planning authorities deal with up to 500,000 planning applications each year, of which 85 per cent. are approved. Revocation is the exception.

The power is used only in exceptional circumstances, as Parliament has given local planning authorities responsibility for development control in their areas. It is for them to decide in the first instance whether a proposal should be permitted. The Secretary of State's intervention might overturn the local planning authority's judgment of a matter which is in the first place its responsibility.

The hon. Gentleman has given much of the background to the proposed motorway service area at junction 10 of the A1(M) at Radwell in Hertfordshire. I shall recap briefly. The outline planning application was made in 1992. Following non-determination by the local planning authority, an appeal was lodged with the Secretary of State. After a local public inquiry in 1993, the then Secretary of State granted planning permission in 1994, subject to conditions and reserved matters.

The application for approval of reserved matters was made to the local planning authority, North Hertfordshire district council, last year. At that stage, the Environment Agency objected on the ground that site excavation would breach the water table and threaten water supplies and water courses. In October 1997, North Hertfordshire district council approved the reserved matters, but drainage and water supply conditions remain to be satisfied. That is crucial. Until those conditions are discharged, development cannot start.

The hon. Gentleman has made much of the amended plans put to the inspector at the inquiry, which he accepted before recommending approval of the scheme. I understand that, in the interests of natural justice, the inspector asked at the start of the inquiry whether there were any objections to his accepting the amended plans. None was made, and he proceeded to determine the appeal on that basis. Had the inspector considered the revised plans to be so different as to change the nature of the proposal fundamentally, he would have declined to consider them, and the appeal—

Mr. Heald: The difficulty was that the National Rivers Authority had seen the original plans and made its comments on them. It was unaware that there were any new plans, because it was not represented at the planning inquiry. That is one of the faults in the process that has been adopted. Does the Minister have any thoughts on that?

Mr. Raynsford: I understand the hon. Gentleman's point. I have two comments to make in response. First, no one objected to the revised plans, although I understand that the NRA may not have been represented. Secondly, the inspector would have had to form a judgment on whether the revised plans differed so materially from the original as to make it impossible for him to consider the application. Had he believed that, he could not have proceeded with the application on the basis of the revised plans.

I do not doubt the genuineness of the Environment Agency's concerns over a possible pollution risk to the groundwaters in the area. The hon. Gentleman is rightly concerned about that as well, because it affects the livelihood and well-being of his constituents. However, the inspector considered the issue in his report and was satisfied that, subject to certain conditions to control emissions to groundwater and streams, there would be no risks from the development. Conditions to that effect were imposed by the then Secretary of State when he granted planning permission.

The local planning authority has not made any decisions on compliance with those outstanding conditions from the original consent. If the development is to proceed, the site owners must negotiate with the Environment Agency to find technical solutions to the drainage and water table issues. Unless that is done, the local planning authority will not discharge the outstanding conditions. If that continues to be so, planning permission will lapse in late 1999. Alternatively, it is open to the site owners to submit revised proposals to North Hertfordshire district council if they consider that another solution to the problem can be found.

For the policy reasons already explained, I do not consider that there are grounds to justify my right hon. Friend the Secretary of State taking the exceptional course of revoking the planning permission. It would certainly be premature, given the need for negotiations to ensure

compliance with the conditions already imposed. In any case, if the Secretary of State were to take that course following a local public inquiry, a claim for compensation from the developer would be likely. Such claims can be very substantial. I should stress that the claim is not against the Secretary of State but against the local planning authority. For that reason, revocation of a planning permission must be seen as a very serious matter for the authority.

In this case, as I hope that I have demonstrated, there is an alternative remedy. The Environment Agency has to be satisfied with the site owners' proposals for dealing with the problems in order to give its consent to the local planning authority agreeing to discharge the conditions. As I have already implied, if that agreement is not given, development cannot proceed. There is a safeguard in place. I hope that that reassures the hon. Gentleman that his concerns are respected, and that there is a proper safeguard in place to meet them.

I repeat that, if the development is to proceed, the site owners must negotiate with the Environment Agency to find solutions to the problems that the hon. Gentleman has identified. Unless that happens, the local planning authority will not be in a position to discharge the outstanding conditions, and therefore no development can take place. I hope that that reassures the hon. Gentleman that the fears that he has described need not arise, and that there are sufficient safeguards in place to ensure that the interests of his constituents will be properly protected.

Question put and agreed to.

Adjourned accordingly at twenty-four minutes to Eleven o'clock.

House of Commons

Wednesday 29 April 1998

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Land Reform (Scotland)

Motion made, and Question proposed, That this House do now adjourn.—[*Mr. Clelland.*]

9.34 am

Ms Roseanna Cunningham (Perth): I am delighted to discuss what most people in Scotland regard as an important issue. It was last debated in detail during an Adjournment debate that was secured by my hon. Friend the Member for Banff and Buchan (Mr. Salmond) in November 1996—some 17 months ago—and which took place in different circumstances. The debate has moved on, and I hope that we shall reflect that movement today.

I wrote to the Secretary of State for Scotland on Monday to outline the key areas that I shall discuss, and I hope that that courtesy will enable the Minister to respond positively and constructively. I believe that there is a cross-party consensus: although that can be used in Scotland more as a battering ram than anything else, it is genuine on this issue, and not simply rhetoric. It is the duty of hon. Members of all parties to try to move that consensus forward. I shall make a central proposition in the debate. That will raise wry smiles, but I shall bear with them. I hope that party spokespeople, including the spokesperson for the Conservative party, will respond to the initiative.

The Scottish National party has a well-developed land policy based on two years of wide-ranging consultation by the Scottish Land Commission. The Government are consulting on land reform through their land reform policy unit, and I understand that they have discussed with members of the commission the detail of its report. The other parties have their own ideas, and may have taken their own initiatives.

Anyone who listened to the debate in 1996 will know, however, that there are common threads in the parties' approaches. We appear to agree about the abolition of feudal tenure, and there is consensus on issues ranging from access to the extension of crofting tenure, so there is the basis for agreement on the core of a far-reaching land reform Bill for the first Session of the Scottish Parliament.

I propose that the parties join civic bodies in Scotland and other identified land experts to create a land convention for Scotland, which would work with the Scottish Office in the review of evidence gathered in its consultation exercise and move that work forward by producing a draft land reform Bill—before the new Scottish Parliament meets—which all parties would be able to support, and which could be the Parliament's first Bill.

Land reform and home rule have long been intertwined in the Scottish psyche. Since the days of the Crofters party in the House in the 1880s and 1890s, the prospect of land reform through a Scottish Parliament has been a key motivation for millions of Scots, who have had little hope for action in Westminster. We are part of an historic process, and we should ensure that the goal of land reform is delivered as smoothly and as quickly as possible in the new Parliament.

In the past week or two, I have talked about the high expectations of the Scottish Parliament in respect of land reform. To fail to deliver in the face of those expectations would be seen as a failure of the Scottish Parliament. None of us here wants the Scottish people to feel that the Parliament is not delivering in the way that it should.

The details of the proposal can be worked out later, but if we use the Scottish Office's land reform policy unit as advisers, or as a secretariat, use its drafting expertise, and tie that in with the ideas and inventiveness of all parties and from outside the political parties, we can produce a Bill that would be in place by 2000. That would be a fitting Bill for Scotland for 2000.

I urge the Minister to agree to meet me and representatives of the Liberal Democrats and Conservatives in the near future, perhaps next week, to discuss the practicalities of such an initiative. I hope that he and the other spokespeople here today will respond positively to the idea.

"I should tell the Government that there can be change by reaching a consensus with the Opposition . . . the Opposition would be quite happy to co-operate with their proposals—or with any Government's proposals—on the issue . . . The Opposition are ready, but we are waiting to hear whether the Government are ready."—[*Official Report*, 6 November 1996; Vol. 284, c. 1171.]

Those are not my words, but those of the hon. Member for Dumbarton (Mr. McFall) in the November 1996 Adjournment debate. I hope that his Front-Bench colleague will show today the same spirit of consensus and co-operation that was shown before the general election.

Dr. Norman A. Godman (Greenock and Inverclyde): The hon. Lady will have noticed that there are few Members present today with Scottish landowning interests; there would have been a few more in 1996. Some changes could take place before her grand reform Bill, such as access to our hills for walkers and others and access to waters, which should not be owned by riparian landowners.

Ms Cunningham: The hon. Gentleman is right. I shall comment later about what could move ahead now, and what will probably remain to be tackled after the Scottish Parliament meets. This Parliament has not in the past shown itself capable of reacting quickly to the land reform issues that are so important in Scotland. With some 12, 13 or 14 months to go before the elections to the Scottish Parliament, I guess that it is unlikely that time will be found, although I would be happy to be wrong.

My remarks take account of the fact that some things could be done now and that some things are better left. I should add that I have a lot to get through, so I shall restrict interventions to allow others who wish to make substantive comments to do so.

I have two key themes, as suggested by the intervention of the hon. Member for Greenock and Inverclyde (Dr. Godman). First, there is what the Scottish Parliament

[Ms Cunningham]

can and should do; secondly, there is what we can do now to tackle some of the injustices of Scotland's landholding system. Of necessity, this cannot be an exhaustive tour of the entire land set-up in Scotland. I will no doubt miss some favoured points of other hon. Members. I look forward to hearing about them.

Earlier this week, I published a summary of the SNP's land reform agenda for the Scottish Parliament. It set out our key aims and ambitions for a wide-ranging reform that has access at its core: access to the land for work, for homes and for recreation. Work and homes are often forgotten, because people tend to think of access only in terms of recreation.

The SNP seeks a people's land reform for Scotland. That means information, management, development, access and ultimate ownership of the land by and for the people of Scotland. Land reform must go beyond mere technical tinkering with the basic land law in Scotland. Lawyers tend to get excited by technical changes, but I am one lawyer who does not get excited by the technicalities that so obsess many of my legal colleagues. There must be more than that to land reform in Scotland.

The SNP regards the abolition of the feudal system as the first priority in creating a new land agenda. That appears to enjoy wide agreement in Scotland. Our guiding principle will be to ensure that one group of individuals, the feudal superiors, cannot unjustly interfere in another's free enjoyment of his or her land or property. Ultimate title to the land will rest with the people of Scotland as a whole.

The Scottish Law Commission is working on the details and implications of such a move, but our guiding principle must be that a feudal relationship between superior and vassal is not the best way to ensure that the obligations and responsibilities incumbent on every landowner are enforced. Such a relationship is a singularly strange phenomenon with which to move into the 21st century.

On rural areas, the SNP envisages some of the responsibilities being regulated by communities. We propose that local communities should have a central role in the development of land use strategies for their areas, and that elected locality land councils, working in liaison with a rural affairs Ministry, should draw up local land plans as the basis for sustainable development in their areas.

The introduction of those bodies will be linked to an overhaul of the structure of agencies and grants in Scotland, so that the money available can be spent more effectively, and be targeted at community supported, sustainable projects. Such a far-reaching reform cannot be introduced overnight, and we imagine a phased introduction of such bodies and a gradual extension of their powers and responsibilities. Again, at the heart lies the guiding principle of involvement of communities in the land and in the areas where they live.

The locality land councils' work should be aided by the development of a comprehensive, locally accessible land information system for Scotland. The excessive secrecy surrounding the ownership of land and the financial support available to landed estates is a major concern that must be tackled in any reform package.

It cannot be right that estates in our country receive fiscal advantages as a result of access agreements while the nature of the packages and the scope of the access are never made clear. Our land information system for Scotland will go beyond the existing land register, to provide Scots with a comprehensive land database, and easy, local access to information vital to the process of redeveloping and rejuvenating their local land resources.

There have been some extreme estimates of the cost of such a project. I have seen figures as high as £300 million from some Government sources. That may be the cost of starting such a database from scratch, but bodies such as the Royal Institution of Chartered Surveyors already have a framework for such a system. Much of the information is already held by university departments and bodies such as the Macauley Land Use Research Institute. The Government's role should be to co-ordinate the gathering of the information we already have, and to prime the pump with the limited additional resources that would be required.

The database would include details of the access rights and recreational restrictions in place in any part of the country. As part of its commitment to access for the people to the land of Scotland, the SNP will define in law a responsible right to roam, backed by a legally enforceable countryside code. I wish that we had not got to the state where legislation was required, but some years ago we reluctantly concluded that it was, and that we could no longer rely on the traditional attitude to access to the land in Scotland.

We intend that the local land councils should play a role in the promotion of responsible access. In especially popular areas, they would employ rangers to educate people about the land and the environment, and enforce the good behaviour rules that will be a central part of making such a policy work. That already happens in parts of the United States of America, and we should draw best practice from such models elsewhere in the world.

The councils would also have the power temporarily to close off certain routes or glens for reasons such as seasonal farming conditions such as lambing and planting of crops, or specific environmental concerns. Those are necessary protections that must be built into any right of access.

Those are some of the key elements of the SNP package, but behind them lie core principles. The Scottish Land Commission report highlights some of the home truths about land in Scotland, and identifies the key fact that who owns the land is less important than how they use it. The SNP proposals would encourage people back to the land, and, although it cannot be achieved overnight, reduce the concentration of land in the hands of so few estates in the longer term. That can be achieved without restrictions on land ownership based on nationality.

We shall require landowners, whether individual or corporate, to have a resident representative who can be held responsible for the management of the land. A variety of fiscal incentives and sanctions would be employed to promote best land practice among all land users. We do not believe that companies are inherently worse landowners than individuals, but, where difficulties arise, we might consider going further, by requiring the creation of an authorised company official to liaise with local communities on the use to which land is put.

The same mechanism would also deal with absenteeism, which is not precisely the same as ownership by foreign nationals. A legally and financially responsible representative in the area could facilitate the review and

regulation of the land's use, and remove some of the criticism and controversy surrounding absentee ownership.

Those are things that the Scottish Parliament can and should do, but it cannot achieve certain elements of our package. I shall speak only briefly about the position of the Crown Estate Commissioners, because the matter can be addressed in the debate on the Scotland Bill next Wednesday. However, it is clear that, under the Scotland Bill as it stands, the Parliament will not have even the powers over the Crown Estate Commissioners that the Secretary of State currently has.

In addition, although the Parliament can legislate generally for the land held by the Crown Estate, it will not be able to transfer to other bodies its rights over the foreshore, sea bed, mineral exploitation or even salmon. Such resources could and should be transferred to local communities, so that they can promote their own developments, but, unfortunately, that will not be possible.

In the debate on what became the Transfer of Crofting Estates (Scotland) Act 1997, the hon. Member for Cunninghame, North (Mr. Wilson), now a Minister, made my point for me. Talking about crofters, he said:

"Although they have grazing rights on the land, they do not hold sporting or mineral rights and they do not have the ownership of the rivers that flow through that land."—[*Official Report*, 18 March 1997; Vol. 292, c. 732.]

That is nonsense, and has always meant that the communities that were given security of tenure under the Crofters' Holdings (Scotland) Act 1886 were never given the potential wealth that went with that tenure. People have been allowed to remain on the land on a marginal basis, but have never had the opportunity to develop the full economic potential of their communities.

Under the Scotland Bill, such a reform will not be wholly possible with a Scottish Parliament, as salmon rights, gold rights and rights over the foreshore cannot be extended as the hon. Member for Cunninghame, North wished last year. I, too, want the people of Scotland to develop the full economic potential of their communities, and it is testament to the existence of cross-party consensus that I can find common ground with the hon. Gentleman on that matter. Unfortunately, the Scotland Bill tightly restricts the Scottish Parliament's ability to deliver such a laudable aim.

Those are matters for the future, but there are certain steps that the Government could and should take today to begin the process of real land reform in Scotland. I have already spoken of the proposal for a Scottish land convention, and I look forward to hearing a positive response to that. However, as I pointed out in the November 1996 debate, there are measures that could be adopted tomorrow to tackle some of the loopholes that are manipulated to such effect by people like Mr. Brian Hamilton, the "raider of the lost titles", and prevent his activities from being so effective—effective, at least, as far as he is concerned—in Aberdeenshire and Lanarkshire, to name but two areas.

Hon. Members will remember the impact of casualty clauses on the villagers of Boghead, and, last year, various hon. Members pointed out a way forward that did not require the Scottish Law Commission report. It is my understanding that the Feudal Casualties (Scotland) Act 1914 abolished feudal casualties, but not the leasehold casualties that were effective in the Boghead case. In the opinion of most experts, that was an oversight, which could now be corrected, given that the principle behind removing those casualties is not in questions.

An act of sederunt passed by the Lord President of the Court of Session amending the legislation could prevent the likes of Mr. Brian Hamilton from enforcing his right to payment of casualties. Last year, the Conservative Government and the Scottish Office said that the Lord President was concerned about the vires of adopting such a course of action, but I am sure that hon. Members would offer him support if he were to do it. I hope that the Minister will address that problem, which remains with us more than a year after coming so dramatically to light.

Those may be minor points, but we could act immediately to close a gap in the law that can be used to hurt constituents of any Scottish Member of Parliament. Taking such action would clearly establish our intention to grasp the thistle of land reform.

Similarly, the Government could today announce a review of the current structure of quangos in Scotland, which means that farmers and landowners seeking financial assistance or wanting to develop their land can be forced to deal with more than 20 public bodies or agencies. Development in rural Scotland is currently constrained by the presence and activities of a web of overlapping agencies; not only is that ridiculously inefficient—it is an unnecessary barrier to initiative.

If anyone seeks to question the cost of land reform, I would direct them to look at the cost of the current structure of bodies regulating rural Scotland. This is certainly one area in which we need a bonfire of the quangos, and I urge the Government to begin today a review of the role of quangos.

I conclude by repeating some of the questions that I put to the Secretary of State earlier this week. I hope that the Minister will give answers to at least some of them in his reply.

On finance, I understand that Lord Sewel has said that land reform will have to be a cost-neutral exercise. Does that mean that the Government have ruled out making available any additional resources for land reform; and would that rule out the redirection of resources from a reorganisation of the quango system, or from the Crown Estate Commissioners? On access, are the Government and the Labour party both in favour of a responsible right to roam in Scotland? I believe that the answer to that is yes, but I should like clarification of the position.

In written questions, I have asked the Government about the possibility of early completion of the computerisation of the land register. Has such a step been categorically ruled out? Do the Government envisage the land register eventually extending beyond land titles, to include the full range of information about the geography and agricultural and mineral uses of and access to the land?

There have been some interesting and useful initiatives by, among others, Highland council on the question of community ownership of land. Do the Government envisage community involvement extending beyond isolated estates, to include some community monitoring or regulation of land use, or the development of community land use strategies and management plans? Does the Minister envisage current crofting legislation being extended beyond the existing crofting counties,

[Ms Cunningham]

and opened up to encourage new entrants to that environmentally friendly and sustainable form of landholding?

The Government have said little about the detail of their land reform proposals. From discussions with groups throughout Scotland, I am aware of a genuine fear that those proposals may not go much beyond tinkering with the feudal system, and shaking up conveyancing and property law. That would not be considered sufficient.

In 1996, the hon. Member for Western Isles (Mr. Macdonald), now the Under-Secretary of State for Scotland, called for

"a specialised land commission or land use council covering the whole of the highlands and islands, which would have powers to veto the proposed purchase of any estate which did not conform to the environmental and economic criteria set down by the land commission. Every prospective purchaser of a large highland estate should be obliged to carry out an environmental and a developmental audit, and the purchase should be allowed to proceed only if those audits were passed. Any subsequent failure to conform to the terms of those audits should result in the purchaser having to relinquish the title and sell it on to another person or body able to fulfil the terms of the audit."—[*Official Report*, 6 November 1996; Vol. 284, c. 1164.]

Mr. Tam Dalyell (Linlithgow): I do not ask this in a hostile spirit, but it would be valuable to know with which groups the hon. Lady has discussed the matter. She referred to having discussed it with groups throughout Scotland; which groups did she have in mind?

Ms Cunningham: The land use commission, which was in operation for some 18 months, toured the length and breadth of Scotland, issued invitations, and took evidence from a huge number of organisations and individuals throughout Scotland—from members of the Scottish Landowners Federation to members of the various radical reform groups, and from notable individuals whose names the hon. Gentleman probably knows well, such as Andy Wightman, who are deeply involved in the issue of land reform in Scotland.

The commission spent 18 months or so in detailed discussion with a variety of groups. Over a number of years, I have frequently met individuals and representatives of many of those groups; I shall meet representatives of the Scottish Landowners Federation again soon. The hon. Member for Linlithgow (Mr. Dalyell) need not be afraid that these proposals have been dreamed up out of nowhere; they have appeared after a long process of wide consultation.

I was extensively quoting ideas that the current Under-Secretary of State, the hon. Member for Western Isles, has obviously had in his head for some time. His hon. Friend the Minister of State, the hon. Member for Cunninghame, North, has said:

"Once the principle is established that communities can buy their land on a communal basis from the landowner—presumably at 15 times the rental value—no legitimate argument separates publicly owned from privately owned crofting land."—[*Official Report*, 18 March 1997; Vol. 292, c. 740.]

If the Under-Secretary still holds to the proposals that he advanced in November 1996, is he aware whether his hon. Friend still holds to the proposals that he advanced in March 1997? If so, when may we expect to see some of the details?

These ideas can and should be discussed fully and sensibly. A land convention is the ideal forum for such a debate, and would be the perfect vehicle for transferring all our hopes and ambitions for the land of Scotland into reality, in a first-class Bill for the new Scottish Parliament.

10.1 am

Mr. John Home Robertson (East Lothian): First, I declare an interest as an owner of some land in the Borders. I congratulate the hon. Member for Perth (Ms Cunningham) on raising an important issue.

We should all take a greater interest in land policy in Scotland, not least because there is a lot of land in Scotland—30,000 square miles for a population of just 5 million people. Whereas in England there is just three quarters of an acre for every citizen, we have 4 acres for every Scot. Given the density of population in central Scotland, that means that vast tracts of the nation of Scotland are very sparsely populated—although I confess that, even on that calculation, I have more than my fair share.

With that sparsity of population on land with very special environmental and economic qualities, we might be expected to give a high priority to land policy, but I fear that the issue has been sidelined for decades. We must be the last nation on earth that still has a feudal system of land tenure—whereupon I must declare another interest, as an hereditary feudal superior. I hope to have an opportunity to vote myself and other feudal superiors out of that anachronistic office once and for all, and the sooner the better.

That is not the only antiquity that we have in Scotland, as the Register of Sasines, started in the 17th century, is still partially with us, being replaced only fairly slowly with a less impenetrable public register of who owns Scotland.

The use of land in Scotland is determined almost entirely by private owners and occupiers and various unaccountable bodies, such as the Crown Estate Commissioners, which the hon. Member for Perth mentioned, with only limited influence from local authorities, from the Forestry Commission and various public agencies. Meanwhile, the traditional principle of reasonable public access to the open countryside is being challenged by what I describe as new age landlords, both Scots and people from outside Scotland.

The Westminster Parliament, especially the House of Lords, has been a massive institutional barrier to land reform in Scotland. That must be an area where the new Scottish Parliament will have the power and motivation to grasp a deeply rooted establishment nettle. I whole-heartedly welcome the important initiative taken by the Labour Government in establishing the Scottish land reform policy group, and publishing a consultation document on the key issues that the hon. Member for Perth has mentioned.

I have mentioned the Scottish feudal system. That is a superficially quaint arrangement whereby people like me, who happen to be descended from landowning families, can exercise or sell the rights to collect feu duties. That is no big deal, because not much money is involved, and in any case there is a statutory right to redeem the duties.

A far bigger problem is that, in some cases, feudal superiors can still take decisions about changes of use or construction on people's property, which may have been

bought many years or generations ago. That system might have had some merit as a 19th-century version of planning controls, but now that we have elected local planning authorities to do the job, there is no need to leave any residual powers to the whim of obscure feudal superiors, be they eccentric aristocrats or even more eccentric Labour Members of Parliament.

That is not the whole story. Feudal documentation gives rise to much unnecessary and costly work for lawyers, which costs affected citizens quite dearly. Worse, it can be possible for unscrupulous operators, like Mr. Brian Hamilton, the notorious raider of lost titles whom the hon. Member for Perth mentioned, to exploit residual feudal powers at the expense of unsuspecting householders. I submit that the whole feudal system, including the associated real burdens on land, should be abolished as soon as possible.

The hon. Member for Perth also mentioned pedestrian access to the open countryside. It is worth pointing out that the Trespass (Scotland) Act 1865 is a limited statutory provision, which applies only to encampments and to the lighting of fires near public roads.

Until recently, there has been a generally accepted right to roam in open countryside in Scotland, subject to a clearly understood duty to respect the privacy of people's homes, and to respect property and agricultural and sporting activities on the land. That system has worked, and in many cases still works, because people exercising the right to roam are reasonable, and because most landowners probably still exercise similar common sense.

Sadly, however, we are witnessing an increasing number of examples of what I have described as new age landowners in Scotland, some of whom—but by no means all—come from outside Scotland, who are erecting obstructions, locking gates and putting up "keep out" signs. I understand that they have been advised by lawyers that ordinary walkers, be they tourists or local residents, would find it prohibitively complicated and expensive to challenge such obstructions in the courts, so legitimate access is being obstructed.

There is another side to the story, which must be acknowledged, because both parties have rights. In some areas, the right to access is being abused by people who leave litter or vandalise property, and people who take horses, mountain bikes or even four-wheel-drive vehicles on to unsuitable routes. I submit, therefore, that we need fresh legislation to restore a reasonable right to roam in open countryside and on traditional rights of way, subject to proper safeguards. There should be no need for public bodies such as Scottish Natural Heritage to pay landowners public funds for such rights, except perhaps to contribute to the costs of bridges, car parks and so on.

I should like to say a great deal more on issues such as the need for better protection of public access to angling on Scottish rivers. I welcome the announcement that Lord Sewel made earlier this week about the Tay and the Tweed protection orders. I should like to speak about other aspects of land reform, such as community-based land ownership, which the hon. Member for Perth mentioned, and about the Crown Estate Commissioners and the need for land for affordable rented housing, especially in rural areas. We might also speak about the excellent new controls that the Labour Government have instituted on opencast mining. However, this is a short debate, so I conclude with some brief comments on the tenure of agricultural land.

I am well aware that farmers are having a very difficult time at present—and that should not be taken as a criticism of the Minister of Agriculture by his parliamentary private secretary. The BSE crisis is costing the taxpayer dearly; and in various ways, including the ban on beef exports, it has had a disastrous effect on the market for red meat. At the same time, farming is facing the certainty of major changes to the common agricultural policy; so these are indeed difficult times for rural Scotland.

Beyond all that, Scottish agriculture has the potential for a great future; we can produce the best cattle, sheep, potatoes, cereals, vegetables, berries and many other products in the world. But if we are to take full advantage of our potential, we must reform our land tenure system, and create proper career opportunities for new entrants to farming. At present, the only ways into farming are by succession, by marriage or by winning the lottery. My wife is probably as good a farmer as any other in Scotland, but the only way she could get access to land was by marrying me. Many people would regard that as rather a drastic step to take.

I suggest that the new Scottish Parliament should consider amendments to the legislation governing land ownership and tenure, to create opportunities and security for people who want to enter farming. For that to work, it is necessary to find ways of encouraging people to move out of the industry at the end of their careers. I do not accept the Scottish Landowners Federation line that all is well—that we should trust the free market, controlled by today's vested interests, to secure a bright new future for rural Scotland. The empty glens of the highlands are an awful reminder of what can go wrong. There is a need for public policy in this area.

This is neither the time nor the place to provide answers to the Scottish land question, but the Labour party certainly understands that question. I look forward to the day, not long now, when the Scottish Parliament will have the power and the commitment to provide some radical answers.

10.10 am

Mrs. Ray Michie (Argyll and Bute): I congratulate the hon. Member for Perth (Ms Cunningham) on securing a debate on a subject that has often generated more heat than light. I suspect that Scotland is unique in the western world in having inherited a system of feudal land ownership which owes its origins to political and social systems designed to exercise power way back in the 11th century. Those systems have survived for 900 years; for 300 of them, Scotland has had no legislature that would have enabled it to undertake, develop and implement programmes of land reform similar to those achieved in many European countries.

Andy Wightman, who wrote the excellent book "Who Owns Scotland?", puts it rather neatly:

> "Land ownership is a property system which in Scotland, under Scots law, ensures that every square inch of land and inland water, together with the surrounding coastal waters and sea bed, the ground down to the centre of the earth and up to the sky above, is legally owned by somebody."

He includes an excellent little diagram in the shape of a pyramid: God is at the top, under God is the Crown, the paramount superior; under the Crown are the superiors; under the superiors are the vassals; and under the vassals

[Mrs. Ray Michie]

are the tenants—the very words are archaic and anachronistic. They suggest that we have been stuck in a time warp.

I welcome the Government's land reform policy group and the document identifying the problems. It is useful and long overdue. I am sure that today's debate will make its own contribution to the consultation process. It is right that the Scottish Parliament should regard land reform as a high priority.

I want to go over the history, so as to explain it to some who may not understand why so much bitterness, anger and sorrow surround the question of land ownership, particularly in the highlands and islands—and I speak as a highlander. Unfortunately, the anger remains today. The infamous clearances that took place between 1785 and 1850 are not forgotten—despite a deliberate policy not to teach Scottish history in our schools, and to stamp out the Gaelic language. The clearances are not forgotten, because their story has been passed down from generation to generation via the oral tradition, music, song and poetry.

My father writes in his book:

"Returning home to the Strath of Kildonan with 12 grapeshot wounds in his body after the battle of Waterloo, my great-great-grandfather reached Glasgow. He was told he need go no further north. His people had been evicted and burned out of their crofts, along with the rest of the Bannermans of Kildonan."

I welcome the efforts by the Scottish Landowners Federation to change its image—it is even discussing a change of name. I hope that that shows that the federation wants to co-operate in any land reform that takes place. I counsel it against offering apologies—apologies are becoming two a penny these days. It is more important that the body should co-operate and make reparation for what has been done in the past.

What is to be done? First, we need to find out who owns Scotland by completing the land register, so that we have a comprehensive, accurate and publicly available guide to the names of properties and the names of their owners—especially when the latter is a company registered in Liechtenstein or the Cayman islands. Then we need to find out the acreage and the exact boundaries of each property. The Minister will know that the latter are extremely difficult to establish.

The owners are not all private landlords: the Scottish Office, the Ministry of Defence, the Forestry Commission and the Crown Estates all own land in Scotland. Then there are the non-profit-making owners, such as the National Trust, and the conservation bodies. It is reckoned that, by 2010, the conservation bodies will own 10 per cent. of Scotland.

It is sometimes argued that it is not who owns the land that matters but how it is managed—a mantra oft repeated by those who do not want change. Of course management and land use matter, but so does ownership—because that is where the power lies. There is a great deal of land speculation in Scotland. In Norway and Denmark, a legal framework has developed to support an independent, owner-occupied pattern of land ownership, and land sales are regulated. In New Zealand, overseas interests are prohibited from purchasing certain categories of land.

We must abolish the feudal system, and try, as far as possible, to develop community ownership and trusts, with help from bodies such as Highlands and Islands Enterprise. The Assynt Crofters Trust is the great modern example of what can be done. It has more than 100 members, so, at a stroke, 100 more people have a stake in the land.

Although greatly diminished, agriculture is still very important to Scotland. Tenants should be given the right to buy on the right terms; at the same time, we should introduce more flexible tenancy agreements. Crofting is a proven method of retaining populations in areas that would otherwise probably now be empty.

We need to look, too, at compulsory purchase powers. I am not talking about powers to take over great tracts of land, but these powers can and should be used—the Highlands and Islands development board never really used them—to assist local community development in cases of obstruction by landlords or conservation bodies.

The Scottish Parliament should set up a land commission to oversee ownership and use. It may also want to consider land value taxation or site value rating, but I would not be in favour of that if the money were to come down to the Treasury in London. If it went to the Scottish Parliament, we should certainly consider that. We need a well balanced mixture, with many more people involved. The subject is huge, but, with good will and co-operation, it can pull Scotland into the 21st century.

On the hon. Lady's invitation to join a land convention, she knows that, as Liberal Democrats, we are always willing to speak to anyone and everyone, if that helps to promote legislation in the Scottish Parliament. Our idea was that the Parliament should set up a powerful pre-legislative committee that would pull in people from all the land interests and base its work on the tremendous amount that has already been done. I welcome any suggestion that would support that.

The Labour party and the nationalists would have to stop their recent spats. I deplore the derogatory remarks that have been made. We may not like our fellow Scots, but we should not make derogatory remarks about them. *[Interruption.]* The Liberals do not do so to the same extent, and they do not use the words that were reported in the newspapers recently. As a Scot, I do not like it.

It is good that the Scottish nationalists have seen the light, and saw how well the Scottish Constitutional Convention worked. Perhaps they are proposing something similar. We would be very interested in such a proposal.

10.21 am

Mr. David Stewart (Inverness, East, Nairn and Lochaber): I thank the hon. Member for Perth (Ms Cunningham) for her initiative in getting the debate off the ground. She has a long track record in radical land use. I congratulate her again on initiating this Adjournment debate.

I represent the largest Labour constituency in the United Kingdom—a seat that goes from the Atlantic to the North sea. Looking back in history in my seat, I am well aware of the importance of land use. For example, more than 100 years ago, Fraser MacIntosh, a radical Highland Land League Member of Parliament, was elected for my constituency. He was instrumental in agitating for the Crofters Holdings (Scotland) Act 1886, which gives security of tenure to crofters to this day.

Earlier speakers have commented on some excellent practices in community land use—for example, the Assynt crofters, the Stornoway trust and, in my

constituency, the islanders of Eigg, who recently conducted a community buy-out involving Highland council. I congratulate the islanders. I am going to Eigg in a couple of weeks with the Scottish Select Committee so that members of the Committee can see for themselves excellent examples of community land use.

Ownership of land in Scotland is the most concentrated in the whole of Europe: 60 per cent. of land in Scotland is owned by just 1,500 people. It is time that we had a major spring clean through land reform. I welcome the setting up of the land reform policy group by my right hon. Friend the Secretary of State for Scotland. That wide-ranging consultation procedure finishes in the next few days, and has been widely welcomed.

Dr. Jim Hunter, a world-renowned historian who is acknowledged as one of the premier champions of land reform, wrote in *The Scotsman* yesterday:

"Within weeks of Labour's election victory, Highlands and Islands Enterprise was asked to set up a community land unit to facilitate innovative approaches to the ownership and control of Scotland's most basic resource.

Four months later, Skye and Lochalsh Enterprise bought the 4,500 acre Orbost estate to establish a new community where last century's landlords cleared the inhabitants.

Land reform was never going to be easy, but the Labour Government is clearly committed to making it happen."

There are four main aspects that we must touch on, which have been acknowledged by earlier speakers: the elimination of feudalism in land use—an end to feudal superiors and vassals; the creation of new crofting land, for which there is great demand; a provision for farm tenants who have security of tenure under the Agricultural Holdings Act 1949 to have an entitlement to buy the land; and conditional and legally enforceable land use codes where there is large-scale purchase of land, irrespective of the nationality of the purchaser,.

I shall cite an example from my constituency—the 17,000 acre Knoydart estate, which was purchased by two company directors a few months ago. The two directors are currently facing disqualification as directors, following referral by the Department of Trade and Industry after the collapse of not one, but two, major companies. One of them had debts of £100 million. Those are the sort of people who are running that estate, where 70 people live and work. I am extremely worried, especially as the Serious Fraud Office is also investigating the directors' behaviour.

The Knoydart foundation, which is made up of local people who are trying their best to promote sustainable development in that isolated peninsula, can no longer do that because of the ownership of the estate. That is an example of economic and social feudalism, which is outdated as we approach the new millennium.

I welcome the debate and the land reform policy group. Land reform must be seen as part of integrated rural development—rural revival. I would also welcome—my hon. Friend the Minister may wish to comment on this—a community land purchase fund by grant or loan, to mirror the 1945 Labour Government's land memorial fund. Few pieces of legislation would better mark the new Scottish Parliament. I look forward to the Land Reform (Scotland) Act 2001.

10.26 am

Mr. Alan Clark (Kensington and Chelsea): I declare a partial interest to the House, in that I am a trustee of the family trust settlements in Sutherland. I remind the House that we are not absentees. There are members of my family who are always there. As to my own credentials to speak on the topic within the Scottish nationalist ethic, every male forebear of mine has been born, and all—with the exception of my father—have been buried, in Scotland since 1725.

I caution the House against the received notion that all landowners are wicked and must be sent to the guillotine. That is entirely at variance with the broadly sensible view that feudalism is archaic and should be dispensed with, that crofting communities should be encouraged, and that, in cases where the rights of landowners are abused—exemplified, as the hon. Member for Inverness, East, Nairn and Lochaber (Mr. Stewart) reminded the House, by what is going on at Knoydart—we must find some way of getting rid of such malpractice.

With reference to the feudal concepts of vassal and superior, the very language is provocative. In Andy Wightman's much-quoted book—which, incidentally, is full of detailed mistakes—there is a celebrated diagram that shows God at the top, next down the king, and so on. If we tamper with feudalism by confiscatory or redistributive means, all we are doing is vesting the land in the king. We may call the king the people, but there is still a monarchy, and the Government are still the legislative and administrative tool of the monarchy. It is not as easy as it seems. We cannot simply say, "We'll get rid of feudalism." Someone must own the land and be responsible for determining what finally happens to it.

The hon. Member for Perth (Ms Cunningham) referred to

"ultimate ownership of the land by . . . the people of Scotland."

What does that mean? Who are "the people of Scotland", and how will they exercise their will? How will they make decisions that affect the land? I suspect that, if that principle were applied across the board, we would vest those rights in some amorphous, probably unresponsive, bureaucracy. Will its ultimate master be the Parliament in Edinburgh or Parliament in London? In some respects, it would be the Westminster Parliament—which would be even more ridiculous.

The question of redistributing land in Scotland is fraught with problems because of the confiscatory element that attaches to it. It is easy to say that the community—whatever that means: I do not know whether it is the local councils, regional councils or the Crofters Commission—will have the right to make certain purchases at 15 times the rental value. That proposal is totally confiscatory. Most landowners charge barely any rent to the crofters and others who live on their land.

Through that device, we would break up the large estates—regardless of whether they are run well and responsibly—and revert to a penal and confiscatory regime. If that occurs, Scotland will be the only country in the western world—except probably north Vietnam—where the private ownership of land above a certain level is against the law.

Is that what the SNP wants? I hear sharp intakes of breath from SNP Members; I shall be glad to give way to any hon. Member who wishes to intervene. What does the

[Mr. Alan Clark]

hon. Lady mean when she says that the ultimate ownership of land should be vested in the people of Scotland? What does that mean if not a transfer of land ownership to some bureaucracy or governmental organ? I am waiting to give way—although we are short of time.

Ms Roseanna Cunningham: The right hon. Gentleman has, in the past five or 10 minutes, so wildly misrepresented the views of hon. Members on both sides of the House that it would be pointless for me to begin a point-by-point rebuttal now. The idea of power being vested in the people of Scotland is integral to the Scottish psyche. The right hon. Gentleman may or may not have heard of the concept of popular sovereignty. The idea of vesting ownership of the land in the people of Scotland derives from that doctrine of popular sovereignty. I realise that it may be difficult for the right hon. Gentleman to grasp that, but it is not difficult for Scottish Members to do so.

Mr. Clark: That is complete waffle. I asked a specific question: what does vesting ultimate ownership of the land in the people of Scotland mean? Ultimate ownership must be vested in a body of some sort, yet the hon. Lady replies with benign waffle about the people. That ownership must be vested in some administrative organ to which the responsibilities of ownership are devolved, but we are not told what that will be. It would be highly confiscatory to remove land from private ownership at 15 times the rental value and vest it in someone else.

Ms Cunningham: The right hon. Gentleman keeps referring to purchases at 15 times the rental value. I remind him that that figure was cited in a previous debate by the Minister for Education and Industry, Scottish Office, the hon. Member for Cunninghame, North (Mr. Wilson). I did not incorporate that specific proposal into my speech. If the right hon. Gentleman wishes to pursue that point, I suggest that he does so with the Minister who made it in the first place.

Mr. Clark *rose—*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. I ask the right hon. Gentleman to move on. He has made his point, repeated it several times, and taken an intervention. He should now move on.

Mr. Clark: I apologise, Mr. Deputy Speaker. I am glad that I have succeeded in drawing those statements from the hon. Lady.

I warn the House not to rush into implementing penal or confiscatory measures based on false or generalised premises that, in many cases, are unfounded. Land ownership in Scotland is a sensitive issue, and it must be addressed case by case. I caution the Scottish National party and the Government against approaching this issue with certain fixed ideas at the back of their minds. They must tackle it in detail and with the sympathy that this wonderful asset, which belongs to the whole of the United Kingdom, deserves.

10.35 am

Dr. Norman A. Godman (Greenock and Inverclyde): I shall be brief, as I can see a certain hon. Friend scowling at me. We have just heard a spirited—and I think reasonable—defence of the interests of the landowning class in Scotland. However, I believe that, at long last, the right hon. Member for Kensington and Chelsea (Mr. Clark) is on the losing side in this campaign. He accused some of us of having a jaundiced view of the Scottish landowning class, and said that we would like to send its members to the guillotine. I would not do that to my hon. Friend the Member for East Lothian (Mr. Home Robertson). I think it is a fine thing that the Labour party has in its ranks representatives of the Scottish landowning class.

My hon. Friend the Member for Inverness, East, Nairn and Lochaber (Mr. Stewart) made several very important points—which the right hon. Gentleman acknowledged—about Knoydart. It is disgraceful that people can come in and use their ill-gotten gains to acquire land and people. If the day is dawning when those people will be booted out of Scotland, I say, thank heavens for that. We need radical land reform in Scotland. As a member of old Labour, I advocate taking the land back into public ownership, where it could be managed by local authorities and others.

My hon. Friend the Member for East Lothian raised a point, to which I shall refer in the next two minutes, about regulated access to land. I know that we shall not see in this Parliament the kind of legislation that the hon. Member for Perth (Ms Cunningham) and others desire. We shall have to wait—I think rightly and properly—until the Scottish Parliament in Edinburgh is up and running.

However, I have a question concerning a disgraceful piece of legislation proposed by the previous Government—the odd job lot; the English rural party—that introduced the offence of aggravated trespass. That legislation was introduced into Scotland because of what I would call the English problem of new age settlers who suddenly descend upon farms and small villages in England. We do not have that problem in Scotland, but the offence was introduced by way of the Criminal Justice and Public Order Act 1994.

The legislation has angered many people in Scotland, including ramblers and Monro-bashers—there are some of them in this party—fishermen and fisherwomen, and others. There is no need for it. I want to know—the Minister obviously cannot give me an answer today—how many people, engaged in legitimate recreational activities, have been charged under that disgraceful law. I suspect that it has never been used, so perhaps it could be excised from the statute book.

I am delighted with the comments of the noble Lord Sewel in the other place about public angling. I think that it is insane, and utterly scandalous, that people must pay to fish. Not long ago, I was fishing for trout in upstate New York where I spoke to another fishermen, a retired doctor. He was amazed when I told him about the fees that people had to pay in Scotland in order to fish for trout and salmon.

That water does not belong to the riparian owners. My hon. Friend the Member for Midlothian (Mr. Clarke), who has just entered the Chamber, is, like me, a trout fisherman—I regret to acknowledge that he is a bit more successful than I am. Bona fide fishermen and

fisherwomen should have the right, if we behave properly, to fish wherever we choose. The Scottish Campaign for Public Angling and other protest bodies and lobby groups are arguing a good case.

I compliment my right hon. and hon. Friends at the Scottish Office for examining the case for protection orders for the Tweed and the Tay, for example. Progress is being made. In the past, whenever these issues came before Parliament, all the backwoodsmen came out of the woodwork, or whatever, to vote in the other place to support their ancient interests. I believe that they are now defending what is largely a lost cause, thank God.

10.40 am

Dr. Liam Fox (Woodspring): I begin by adding my congratulations to the hon. Member for Perth (Ms Cunningham) on obtaining this important debate. We are talking about the need to identify barriers to the development of thriving and sustainable rural communities. The necessary test of anything that the Government bring forward will be that any changes in land use must lead to the removal of such barriers expediently and efficiently.

Implicit in several of the speeches today is that there has been a positive contribution from private land ownership in Scotland. With few exceptions, the tone of the debate has not been anti-private land ownership. In many parts of rural Scotland, considerable amounts of private capital are invested in land, with little or no hope of any return, by private investors. That investment generates considerable economic activity in rural areas, and could not be replaced by the public sector. The Treasury, working within its current constraints and looking for the sort of return on investment that it now seeks, would, I am sure, not be contemplating taking public land back into the public sector.

It is interesting that, in this debate, the Liberal Democrats have been the most hostile to private ownership. It is a Liberal party that I no longer recognise. The hon. Member for Stirling (Mrs. McGuire) smiled when we were hearing that Liberal Democrats do not call people names. The hon. Lady has obviously been dealing on a local basis with the sort of Liberal Democrats that I come across. I find them unrecognisable from the description of Liberal Democrats offered by the hon. Member for Perth.

Any prohibition on ownership of land by non-United Kingdom individuals could be in breach of article 2 of the treaty of Rome, and would fly in the face of the basic rights to own property and peacefully to enjoy the use of that property. Overseas or absentee ownership is far less important than whether the owner has the ability to fund and manage his land in a sustainable manner. Any reform resulting in owners needing to reside on their property would result in the loss of external private investment into fragile rural economies.

As for public ownership, I believe that there will always be a case for certain areas to be owned by public bodies. However, where no case can be made for public ownership, public bodies should divest themselves of land, as investment is likely to keep public funds locked up in low-yielding or negative-yielding assets.

In looking ahead to the Scottish Parliament, there has been talk of taxation. As for the effects of taxation on the land market, any increase in the burden of taxation on land ownership is likely adversely to affect what are already recognised as fragile economies, which in turn will damage local investment and employment opportunities. I am sure that those who take their places in the Scottish Parliament will be aware of that.

Tenancies in agriculture have been central to agriculture in Scotland for generations. They allow those who wish to engage in agriculture to do so without the requirement to invest a substantial amount of capital in the acquisition of farms. Not everyone is able to marry into the family of the hon. Member for East Lothian (Mr. Home Robertson). There needs to be a balance, as I am sure the hon. Gentleman will accept, between security of tenure and easy access to tenancies. Farmers in Scotland, especially those in marginal stock-rearing areas, are facing considerable financial hardship, for reasons that are not for this debate.

The prospect of lower product prices suggests that farmers generally will have to adopt policies that will lead to a reduction in their overhead costs. That in turn is likely to lead to an increase in the size of farm units, which will be brought about by farm amalgamations. There will be an increasing requirement for farmers to broaden the income base of their businesses through diversification of their activities.

A strong tenanted sector in Scottish agriculture is necessary, but we would like to see that greatly simplified to enable agriculture tenants, by agreement with landowners, to engage in non-farming activities on their holdings. I think that that is a genuine cross-party wish in the House.

The introduction of farm business tenancies in England and Wales, in effect allowing freedom of contract between the landowner and farm tenant, has led to the creation of many new tenancies. We recognise that, in the present economic climate, many of these new leases will have been taken up by neighbouring farmers in enlarging the size of their existing holdings. Similar arrangements in Scotland would allow present farm tenants to negotiate terms with their landlords to enable them to diversify and strengthen their businesses.

The hon. Member for Perth raised an interesting point when she talked about the necessity for a bonfire of quangos. There are many barriers to land use that we need to examine, including planning, consulting bodies, statutory bodies, local taxation and sporting rates, soon-to-be Scottish taxation, transport and access, and affordable housing. These are all obstacles to land use, and factors that we need to consider.

Voluntary agreements to regulate public access to private land is, I believe, the best way forward. Access is not only about the public's aspirations, because there is a need to control abuses, as the hon. Member for East Lothian said, such as litter, vandalism and the inappropriate use of dogs. All these matters need to be taken into account in arriving at a balance.

We would welcome a clarification of current rights of access. It is not clear whether the statement that there is no law of trespass in Scotland is legally or factually correct. A restatement of the law by the Law Officers would be welcome. Perhaps the Minister will be able to clarify the matter when he responds.

A codification of the current access regime would be particularly beneficial in relation to unenclosed land. Any right of access would need to be formulated so as to strike

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a balance with any environmental conservation factors and any economic activity taking place on the land. Such factors will vary from location to location, and we believe that the emphasis should be on reaching access agreements at local levels, balancing the respective interests of land users, those seeking access to land, and environmental considerations.

There is a real problem, because large areas of the highlands and islands may look open, but in fact contain large and important environmental sites, some of which are covered by sites of special scientific interest, while others are owned by special interest groups such as the Royal Society for the Protection of Birds. Unrestricted access in these areas could be highly damaging, and the regulation of access becomes extremely important. I hope the Minister will deal with that.

Whether or not the Government proceed to legislate for access, effective measures must be put in place to ensure that access is exercised in a responsible manner. We do not believe that there should be a general right of access to enclosed land. However, we would welcome the opening up, along with clearer mapping and signing, of existing rights of way. We believe that new rights of way should be negotiated and formalised between landowners and local authorities, with landowners being encouraged by means of positive incentives. The various millennium projects that are now under way in Scotland show how these can be taken forward.

To encourage rights of way to be opened up over enclosed land, it is important that the burden of maintaining them does not fall solely on the landowner. There could be a continuing future role for Scottish Natural Heritage jointly with local authorities in relation to the maintenance of rights of way, and appropriate funding would need to be made available to them for this purpose.

I shall read the words of the invitation issued by the hon. Member for Perth with some care, and respond to her later. However, in our submission we shall make it clear that we accept the need for reform of the feudal system, not least in the language which is used.

May I make a few general points on our approach to the Government's consultation? We believe that Scotland's landscape has benefited from generations of private investment, which could not be matched by the public sector. The ownership of land is irrelevant; it is whether the owner is responsible for positive land management that matters. The relationship between land use in rural and urban Scotland needs to be much better understood. Existing landlord-tenant legislation needs to be overhauled. The question of public access needs to be fully and frankly debated, and long-term voluntary solutions provided. Existing planning regulations and regulators need to be better streamlined, to cut lengthy consultation periods. Limited reform of land tenure is warranted, but wholesale abolition of the existing system is not.

10.49 am

The Parliamentary Under-Secretary of State for Scotland (Mr. Calum Macdonald): This has been a constructive debate, and I shall try to answer all the points that were raised, although there were many, and some were quite complex.

I thank the hon. Member for Perth (Ms Cunningham) for her contribution to the current debate on land reform, and for creating this opportunity to discuss these important issues in the House. Her letter of 27 April to the Secretary of State was helpful, and I am grateful to her for sending it. I shall try to answer the specific points that she raised therein and in her speech today.

The amount of cross-party consensus that has been achieved this morning is remarkable. It even included Conservative Front and Back-Bench Members, who accepted the need for a radical look at land use and management. The right hon. Member for Kensington and Chelsea (Mr. Clark) seemed to accept the need for regulation and control of the market in large land sales, as we have seen operating in Knoydart.

We all seem to agree that the new Scottish legislature will be able to focus with fresh eyes on the particular circumstances and needs of the Scottish people. It is fitting that land reform legislation should be included in the new Scottish Parliament's earliest legislative programme. The way in which landholdings are owned and managed has a critical impact on the land's ability to sustain rural populations. At the end of the 20th century, archaic approaches to land management and ownership serve all too often to inhibit opportunities for local communities.

I shall cite two recent examples that come to my mind—other hon. Members would have many more that they could cite. In a well-known case in Skye, a landowner insisted on charging local fish farmers substantial sums simply for landing and transporting their fish on an area of foreshore to which he held the title. Another case reported recently, which is rather close to home for me, is that of a landlord who levies royalties on seaweed grown on rocks on the foreshore, which is harvested by local people.

Mr. Alan Clark: I agree that it is ridiculous to levy royalties on seaweed, but to charge fish farmers, who often make a substantial profit, something for the right to land their produce on territory under different ownership is a perfectly legitimate commercial device.

Mr. Macdonald: If the right hon. Gentleman were to look at that case, he might not come to that view. The foreshore in question was slap bang in between a croft belonging to the local fish farmers and a pier that was not built by the landowner, yet that piece of foreshore was used as an excuse to levy an extraordinary amount of rent from those fish farmers, who have since had to sell up.

We regard those practices as onerous and damaging to local economic initiative, and we are looking at ways in which they can be tackled. We certainly believe that land reform is needed to free land resources for the public good. That is why, last October, we set up the land reform policy group, chaired by my noble Friend the Minister responsible for agriculture, the environment and fisheries. Its task is to deliver a comprehensive agenda for early action by the Scottish Parliament on land reform.

Our overriding objective for that important work is to remove land-related barriers to the sustainable development of rural communities—a principle to which the hon. Member for Woodspring (Dr. Fox) referred. Such development must take an integrated approach to the key areas of economic, social and environmental policy, which underpin all the strategies in support of rural Scotland.

The land reform policy group intends to issue its final report by the end of 1998. Its recommendations must be available to inform the manifestos of the political parties contesting the first elections to the Scottish Parliament early next year, and I hope that they will prepare the way for early legislation on land reform by that Parliament.

The group started work last November, and issued its first consultation paper. Published in February, the paper set out to take the views of as wide as possible a range of people interested in the future of rural Scotland. Openness is the key. People who live in rural areas and are therefore affected by those issues should have a chance to contribute to the debate. We have taken steps to ensure that as many people as possible are aware of the group's work. Its approach to its task has been, first, to seek to identify the principal problems and opportunities to be addressed. We must be clear about exactly what the problems are before we begin to devise appropriate solutions.

The consultation period ends tomorrow, and I hope that the group can take on board the flavour and sentiments expressed in this debate. The group will consult again in the summer, to identify the best solutions to the problems that it has identified. The first consultation paper has generated considerable interest. My noble Friend welcomes the fact that more than 120 written responses have been received so far from individuals and organisations throughout the country.

The hon. Member for Perth suggested that a cross-party land convention be established, based closely on the Scottish Constitutional Convention. I am afraid that any parallel between her suggested body and the convention is badly drawn. I remind her that some political parties did not take part in the convention in the past—notably her own party. On the other hand, non-political groups and non-governmental organisations were heavily involved in it.

To replicate such a model in respect of land reform would require going beyond political parties, and would have to include bodies such as the Scottish Landowners Federation, the National Farmers Union, the Ramblers Association and the Royal Society for the Protection of Birds. That would not be a practical way to approach this matter at present.

Ms Roseanna Cunningham: I took care not to draw a parallel with the Scottish Constitutional Convention, although I made a remark about wry smiles. Any convention that is set up would be best advised not to cut off from the debate central issues that might be of importance to a number of individuals. I agree with the Minister about the need for any solution to be widely drawn, but does he accept that we cannot continue fighting the battles of 10 years ago?

Mr. Macdonald: We can certainly build on the consensus that we have seen in this debate, and I hope that the group will be able to use this debate as a guide in its considerations. As I said, the group's findings will be publicly available in time for all political parties to draw on them in their plans for the first year of a Scottish Parliament. There may be a huge overlap in the plans put forward by political parties.

I shall not have time to cover all the points that the hon. Member for Perth raised, but I shall write to her about them. A number of hon. Members mentioned access. We are aware of the conflicts between various groups who use and own land in the countryside. The Government have asked Scottish National Heritage to consider the changes required to provide for equitable arrangements on access, and to clarify some aspects of the law on access. However, in view of the proposed time scale, changes to the law on access in Scotland will be dealt with by the Scottish Parliament.

I welcome the reception that was given to my noble Friend's announcement that he will set up task force to consider increasing opportunities for public angling over the coming year.

As for community involvement and ownership, the establishment of the community land unit last year by Highlands and Islands Enterprise, at the request of the Minister of State, has also been widely welcomed. In less than a year of operation, it has given technical advice and assistance to almost 20 communities, including assistance with the purchases at Orbost and Eigg for the benefit of the communities there.

I take particular pleasure in the fact that the once exceptional example of community ownership—the Stornoway trust—has now been joined by other communities elsewhere in Scotland, such as those in Assynt, Orbost and Eigg. That reflects the new priority and impetus given by the new Labour Government to land reform, and particularly to community ownership of land. There is no doubt that that is now high on the political agenda.

Far East Prisoners of War

11 am

Jane Griffiths (Reading, East): I thank the House for the opportunity to speak on this issue, which is still painful for many people. Anybody who has taken the time to speak to a war veteran or civilian internee cannot fail to be deeply moved by the atrocities that took place on the battlefields and in the prison camps of the far east. I know that several hon. Members will want to participate in the debate, so I intend to speak as briefly as possible.

I pay tribute to the bravery of those who fought on the battlefields of Asia and to the intense feelings still held by those who survive to this day. The memory of the atrocities that they suffered should not die with them. We must forgive those who were our enemies—but we should not forget. No one who had to endure the cruelty and barbarism that took place on those battlefields and in those prison camps could remain unchanged, and I do not want to undermine their still immediate and painful memories.

I call on members of associations such as the Japanese Labour Camp Survivors Association and the Association of British Civilian Internees Far East Region to display yet again the courage and determination that made them heroes not so many years ago and the indomitable spirit that has always distinguished the British both on and off the battlefield. Now is the time to use that courage and spirit finally to allow the wounds to heal.

This is not a party political issue. One cannot imagine any hon. Member using the suffering that was endured in the far east as a party political football. Successive Governments, both Labour and Conservative, have worked hard since 1945 on behalf of former prisoners of war and internees. Now is the time for us all to accept that the 1951 peace treaty signed with Japan in San Francisco cannot be reopened. We should be encouraged by the fact that in recent years the Japanese Government have, for the first time, acknowledged the extent of past atrocities. Until recently, those atrocities and a number of events were not even allowed to be referred to in school textbooks.

I know that many veterans dispute the strength of the wording of the apology offered by the Japanese Government in January 1995, which was repeated in January this year.

Mr. Patrick Nicholls (Teignbridge): The hon. Lady has clearly researched her subject well and will therefore know of my particular interest in it. I accept that the legal position is precisely as the hon. Lady is setting out, but does she not recall that when my right hon. Friend the Member for Huntingdon (Mr. Major) took up the matter, he was seeking not to reopen the legal case but to assert the moral claim? Surely she will not deny that, whatever the law may say, the Japanese Government have an enduring moral obligation that a mere apology without compensation does not begin to discharge.

Jane Griffiths: I fully agree with the hon. Gentleman that the issue of the moral claim remains, and I pay tribute to the right hon. Member for Huntingdon for his efforts.

I shall give the House the briefest of lessons in the Japanese way of apology. In English, one says, "I am sorry," or, "I apologise," and there are not many more ways of expressing apology. In Japanese, there are a great many ways. One says, "shitsurei shimasu," or, "gomen nasai," if one accidentally bumps into someone. The word used by the Japanese Prime Minister on behalf of the Japanese Government was "owabi," which is translated as "apology". That is a formal, high-level apology. Many representatives of the prisoners of war and internees want the word "shazai" to be used. It is not possible to translate "shazai" other than in the same way as "owabi"—"apology".

Many former prisoners of war and civilian internees argue, as did the hon. Member for Teignbridge (Mr. Nicholls), that an apology is meaningless without further compensation. Article 14a of the San Francisco treaty set the amount of compensation according to Japan's economic situation at the time. The article says:

"the resources of Japan are not presently sufficient if it is to maintain a viable economy, to make complete reparation for all such damage and suffering."

The Japanese economy is now in a rather different state from that of 1951. It has been suggested that new evidence exists of an open door for Governments to make claims against the Japanese Government for further compensation on behalf of those heroes, but I dare to say that we must allow the door of history finally to close on the technical and legal disputes arising from the treaty. We have a modern Britain with a new Government that has modern relations with a modern Japan.

I pay tribute to Keiko Holmes, the Japanese widow of a British man, who yesterday received an honorary OBE for her work on reconciliation and in helping to heal the wounds. I pay tribute also to the Royal British Legion, the Burma Star Association and others, who have wholeheartedly welcomed those efforts at reconciliation.

Mr. Alan Clark (Kensington and Chelsea): I have listened to the hon. Lady's reasonable and careful explanation of linguistic differences and her statesmanlike approach to the problem, which she has placed in the setting of the present age. She may have constituents who have written to her on this subject, as do many hon. Members. The victims' families feel bitter about the issue, and it is a scar that will remain with them indefinitely. Does she not think that, if we were to close the door, as she put it, it would be seemly if that were accompanied by substantial compensation?

Jane Griffiths: I agree that those scars will not heal and that the bitterness will not simply go away. We should not wait for all the veterans to die and then say that the matter is finished, because it will not be finished.

I turn now to a forgotten war and the forgotten heroes of another Asian conflict, which did not end in victory or defeat for anyone and has never been given as much time in the House as many of those forgotten heroes and hon. Members would wish. I refer to the conflict in Korea from 1950 to 1953, during which 1,078 British troops died and 2,674 were wounded. There were 1,060 British prisoners of war held in Korea by the Korean people's army and the Chinese people's volunteers.

One of those prisoners of war was Mr. Bill Clark from Reading. He spent almost three years as a prisoner of the Chinese people's volunteers, and I pay tribute to him. He suffers now from crippling osteoarthritis. He believes—and I am inclined to agree—that his condition was

brought on not only by three years of an inadequate diet and sleep deprivation, but by sleeping on the ground in extreme weather conditions. Many of his comrades who were incarcerated with him are not with us today. They died too young, many from liver disease brought on by malnutrition. Prisoners in Korea lived mostly on sorghum, a grain that has little nutritional value, and cabbage.

Since coming to the House, I have had the tremendous privilege of sharing the painful memories and experiences of many heroic individuals. Mr. Bill Clark told me a great deal about his experiences, including the political indoctrination to which prisoners of war were subjected. They were offered extra food, cigarettes, pork or rice if they would accept that indoctrination and denounce the United States and the western powers. They refused to do so. British prisoners of war, in particular, refused to do so.

Anyone who has read Sir Anthony Farrar-Hockley's history of British involvement in the Korean war will know of the Kangdong camp, which prisoners called the caves. In the summer of 1951, the Korean people's army held prisoners there in darkness and in partially flooded tunnels. The sick and wounded were refused treatment. To get above ground to see daylight, prisoners had to engage in anti-United States propaganda. The prisoners' leading officer, Lieutenant T. E. Waters, told his men to accept that offer and to engage in propaganda. Wounded himself, he felt unable to do so, and he died in the caves. We should remember him. He was awarded the George cross posthumously, but all too many of those who suffered in Korea received no award and no remembrance.

Of the 1,060 prisoners of war, 978—a large proportion—came back from Korea. The war was a United Nations conflict and troops from many countries took part. A large proportion of the British prisoners came back alive, which is another tribute to the indomitable spirit to which I referred earlier; but 71 are known to have died in the prison camps and 11 remain unaccounted for, presumed dead.

We are not talking only about Bill Clark from Reading, who would be in the Strangers Gallery to hear this debate if the osteoarthritis that he has suffered for so many years did not prevent him from travelling. We are talking about all those men. Osteoarthritis does not currently attract a war pension enhancement entitlement in the United Kingdom, although I believe it does in the United States. Korean war veterans are not always represented in Armistice day parades everywhere in the country, which is a shame.

I call on the House to take a moment to reflect on the forgotten heroes of Korea, most of whom were young national service men whose childhoods had been spent in the privation of the war years. I hope for the sake of future generations that our new Government will do all that they can to bring to an end the dangerous and uneasy stalemate on the Korean peninsula. I believe that other hon. Members will wish to speak today, and I am sure that they will wish to pay tribute, as one or two have done already, to the forgotten heroes, to their suffering and to the need to heal wounds that cannot heal at present.

I am sure that some hon. Members—and some former prisoners of war and civilian internees in the far east, who suffered so atrociously—will disagree with my call to let those deep and painful wounds heal, but I ask everyone to reflect on the dignity and courage that the British have always shown in the face of adversity. As a fitting tribute to the many who fell and the many who suffered, let us finally lay to rest a tragic period of history as we look to the next century and to a modern Britain that has modern, positive relations with a modern Japan.

11.13 am

Mr. Patrick Nicholls (Teignbridge): It is always difficult for a relatively new Member to make a speech of that sort to the House. Sometimes, members of the public say that there are not many people in the Chamber, but we all know that even if there are just three people in the Chamber, it can be an awesome experience. I compliment the hon. Member for Reading, East (Jane Griffiths) on the way in which she spoke.

I suspect that there is a very good debate to be had on the sufferings of people in Korea, but I hope that the hon. Lady will forgive me if I concentrate my few remarks on the sufferings of those who were formerly Japanese prisoners of war.

I do not need to regale the House with stories of how prisoners of war were treated. Every time I speak in one of these debates, I make a point of going back through my briefing material and reading speeches that right hon. and hon. Members have made over the years. Familiarity with the material never entirely diminishes the shock of reading about those cases. Warfare, bloody and bad as it is, does not begin to compete with the indignity and humiliation to which the Japanese subjected civilians and prisoners of war. That is a matter of fact, and the hon. Lady, to her credit, has not sought to get around it.

We have heard before, and I shall not repeat it today because time is short, of the truly derisory amounts of money that the Japanese paid at the time. Those sums were all that the country was apparently capable of paying at the time. Circumstances change, and the state of Japan today is vastly better than it was in the aftermath of the war.

It is not my job to concede the legal case. From what I have read, and considering the changing state of international law, there is, to put it at its most neutral, an arguable case that international law would not prevent our returning to the subject; but let us put that to one side.

The fact that we are having this debate at all stems from the initiative undertaken by my right hon. Friend the Member for Huntingdon (Mr. Major), when he was Prime Minister. He conceded, as the Government of the day were bound to do, that, although no legal case could be argued, there was an overwhelming moral case and a moral obligation that transcended legal niceties.

My right hon. Friend was seeking to achieve two things: an unambiguous apology and an unambiguous apology backed up by compensation. Even allowing for the fact that different cultures have different ways of approaching the question of apology, an apology without the compensation that would do something to make the lives of people in their twilight years slightly more bearable would frankly be an apology that came pretty cheap.

The fact that we are here today will, I hope, convey a courteous and forthright, but unanimous, message to the Government of Japan that merely to discharge their legal obligation—if that is what they think they have done—does not for one moment discharge their moral obligation. The moral obligation remains. I would not like, and I am

[Mr. Patrick Nicholls]

sure that the hon. Member for Reading, East would not wish, a selective reading of what she has said today to be used by the Government of Japan as the basis for thinking that the House of Commons merely wants to let sleeping dogs lie, that an apology has been made in words suitable in that country and that there is nothing more to it. It is unacceptable for the Head of State in Japan to come to this country and think that all these things happened a long time ago and nothing further need be done.

We have had many lectures in recent times about ethics in foreign policy. Since the last war, we have been served on a number of occasions by Foreign Secretaries of character and distinction from both parties. Now, we have the right hon. Member for Livingston (Mr. Cook). If ethics in foreign affairs is to mean anything at all, it is about facing up to moral obligations. There is a suggestion that we do not want to offend the Japanese.

I am in the business of realpolitik; we all have jobs in our constituencies that mean we must get on with Japan. That is all well and good, but it would be an appalling dereliction of our duty to people, alive and dead, to say casually that we talk about ethics in foreign affairs but must not upset people who create jobs.

If the House of Commons means anything, it means being able to stand up fearlessly, courteously and unambiguously to talk about moral obligations when they exist. The moral obligation of the Government of Japan today is total.

11.18 am

Mr. Gordon Marsden (Blackpool, South): I echo the comments of the hon. Member for Teignbridge (Mr. Nicholls) about my hon. Friend the Member for Reading, East (Jane Griffiths). It is no easy task to open an Adjournment debate, particularly on a subject as sensitive as this. I congratulate her on the sensitivity with which she spoke.

Many of my elderly constituents are former far east prisoners of war. One of the accidents of history is that, at the fall of Singapore, many Lancashire regiments and Lancashire people were caught up in the conflict, and, like many hon. Members, I have had many graphic first-hand accounts from survivors.

One of my constituents, Mr. Iain Mitchell, who was captured as a teenager in Singapore, wrote an excellent and moving book, without rancour and without haranguing, about his experiences at the hands of the Japanese. I have that constituency debt to discharge, but there is a wider debt.

As an historian, before coming to the House, I edited a magazine in which Japan's role in the second world war was discussed. I recognise the progress that has been made, not least in the wake of the Prime Minister's recent visit to Japan, by the Japanese Government and people in addressing these sensitive issues. I welcome the pledges on the development of scholarships for the children and grandchildren of former far east prisoners of war and the programme of reconciliation visits. I welcome unreservedly Prime Minister Hashimoto's apology on the occasion of the Prime Minister's recent visit. However, that does not discharge the account. More needs to be done morally and from the perspective of international relations.

I regret that Japan has not addressed the issues of war guilt or war crimes officially or generally in the way that the Germans have done. Japanese society in current affairs and debates has not worked through the painful and anguished debates in which the Germans have engaged, especially in the past 15 years.

Some hon. Members may be familiar with the work of the writer Ian Buruma, who three or four years ago published an interesting book called "The Wages of Guilt" on the subject of the different attitudes of the Japanese and the Germans and the different ways in which they have treated their war legacy. One of the issues he raises which I raised in my letter to the Japanese ambassador on 15 January, is that, despite the understandable emphasis in Japan on all aspects of war suffering, not least as a result of Hiroshima and Nagasaki, there has been little or no recognition or explanation in Japanese text books or teaching of Japan's part in second world war atrocities, including the ill treatment of far east prisoners of war.

I stand ready to be corrected, but as far as I am aware there has been no equivalent on Japanese television of the holocaust programme that caused such soul searching in Germany a few years ago and which prompted so many of the initiatives by the German Government in respect of holocaust survivors and others who were ill treated in the second world war. As my hon. Friend the Member for Rotherham (Mr. MacShane) said on an earlier occasion, there has been no equivalent of a Japanese Prime Minister falling to his knees and asking for forgiveness as Willi Brandt did at the Warsaw ghetto. People should reflect on those matters, not just from the perspective of the treatment of and justice for far east prisoners of war, but in terms of Japan's full entry to the world as a democratic, international player.

The hon. Member for Teignbridge alluded to precedents for the reopening of matters that have been closed. Many German manufacturers and employers who used forced labour during the war have voluntarily taken up the issue. Volkswagen springs to mind. The current debate about the treatment of Jewish assets by Swiss banks is another reflection of the same principle.

Only two days ago in a Japanese court the principle of compensation for Japan's wartime sex slaves, the so-called comfort women, was acknowledged by the judge. The report stated that there seemed to be a clear case of sexual and ethnic discrimination as well as a violation of the human rights that are enshrined in the constitution. There are precedents for reopening such matters, but it is not for me to say how they should be reopened and what compensation should be paid.

As I have said, I wrote to the Japanese ambassador on 15 January. One of my suggestions was that, if the Japanese Government were not prepared to increase the compensation package for individual survivors, other steps, such as considering payments to a trust fund to help current victims of physical and mental torture, could be taken. Those people include survivors from the prisoner of war camps, many of whom still suffer physically and from severe mental trauma as a result of their treatment.

More must be done, and the Japanese Government have a duty to account to the civilised community of nations. I respectfully suggest that the British Government also have a duty continually to remind the Japanese Government, politely and diplomatically, as did the Prime

Minister on his recent visit, of the importance of that. Garrett Mattingly, who was a great 16th-century historian, said that it mattered that the living do justice, however belatedly. He was writing about doing justice to the reputation of a commander in the Spanish armada of 400 years ago. For the living to do justice, however belatedly, to people who died in the prison camps and to those who suffer today also matters.

We do the Japanese people and Government no favours by suggesting that a line can be drawn under the injustices although they have not been fully addressed in the debates and in the consciences of that society. Recently, in the context of the Irish question, there was a recognition of Bloody Sunday by the Prime Minister, and he commented on the potato famine. There are always opportunities for Governments and peoples in the present to take examples from the past that will carry forward and improve future relations.

Mr. David Drew (Stroud): My hon. Friend is making an excellent speech. Does he accept that, as we approach the millennium a full apology with compensation by the Japanese would be a symbolic, acceptable way forward?

Mr. Marsden: I agree that that is a way forward, but I wish to stress to the Japanese Government and to hon. Members the importance of these continuing issues. Injustices do not go away in history; any student of what has happened in central and eastern Europe over the past five to 10 years will bear that out. The issue of the Korean comfort women continues profoundly to affect relations between Japan and Korea.

In common with all hon. Members, I should like the visit by the Emperor of Japan in the next few weeks to lead to a further improvement of our strong ties with Japan. No one is keener than I am to see them developed and strengthened, but I respectfully suggest that a greater readiness by the Japanese Government to confront the issues and to accept all the domestic and political difficulties that that may entail would go a long way towards comforting those families and survivors who suffered at the hands of the imperial Japanese army.

Justice and the recognition of what it is are not time-limited or time-sensitive. Japan's acceptance of its grave misdeeds would be a comfort to my constituents who were prisoners of war in the far east and who daily remember what was done. It would also be a recognition that, as we approach the millennium, Japan is moving on to take its full place in the international democratic community.

11.29 am

Dr. Michael Clark (Rayleigh): I, too, congratulate the hon. Member for Reading, East (Jane Griffiths). I had come to listen to the hon. Lady and had not intended to speak, but, as result of what she said, I want to say a few words in her support.

I have taken an interest in Japanese prisoners of war for more than 40 years—my interest began long before I entered the House. I remember reading Russell Braddon's book as a very young man. He said that, although the peace treaty had been signed, it would be very difficult for him and his fellow prisoners of war to forgive the Japanese for what had happened in the prison camps. He recalled that, when he was released from the prison camp, the last thing that a Japanese officer said to him was, "You have won this war, which has lasted just a few years, but we shall win the war that will last for 100 years."

Perhaps the officer meant the trade war that would take place in the second half of the century, in which there is little doubt that Japan did very well—it could even claim to have won that war. As we were magnanimous in victory and helped the Japanese to rebuild their country and their industries—we helped them back on their feet with much effort and substantial financial aid—surely the Japanese, now that they have moved forward so far in the trade war, even if not to total victory, can find it in their hearts to compensate those who suffered so appallingly in the prison camps at the hands of their army.

Eight or nine years ago, I read a book by my constituent Ernie Warwick, "Tamajo 243", which again highlighted the deprivation, misery, bestiality and cruelty of the prison camps. I have worked with Bill Holtham from Southend—he is, I think, the founder member of the Japanese Labour Camp Survivors Association, at whose dinners I have spoken several times. More recently, I read the book "Line of Lost Lives" by, I think, John Cosford—I cannot quite remember his name, although I know that he was born in Royston and now lives in Bury St. Edmunds.

From all those people, we learn of the appalling conditions that the prisoners had to suffer, yet their compensation as a result of the 1951 peace treaty was £76. Admittedly, that would be worth more in real terms now, but it was none the less a miserable sum. I fear that saying sorry in whatever Japanese word the hon. Member for Reading, East mentions is not enough—words come cheap, even though the Japanese have been reticent in using the more powerful word for "sorry". Perhaps they believe that, after holding back and using a simple word for "sorry", it would be a major concession to use a more elevated word later. However, there is little difference between the various words for "sorry" if they are not accompanied by compensation worth far more than the £76 that was awarded in 1951.

Some people say that schemes for rehabilitation and reconciliation should take the place of compensation—former British soldiers will visit Japan to pay homage to the Japanese war dead, and Japanese soldiers will visit Britain to pay homage to the British who died in the prison camps. As someone said yesterday—it may have been Mr. Titherington—there is a big difference between the Japanese who died in battle and the British who died bound in barbed wire, starved of food and vitamins and probably beheaded after having been bayoneted in the gut. I do not see the comparison.

I fear—the hon. Member for Reading, East may fear it, too—that some form of compensation will be agreed in 10 years perhaps, when the number of camp survivors will have dwindled to only a few handfuls. The survivors are already becoming frail from old age, but many also have to deal with problems that arose from the deprivations and the starvation that they suffered in the prison camps. In 10 years, there will be fewer survivors, so the Japanese will have to find only a small amount of money to award compensation, even if the sums are individually generous.

If the Japanese do not pay compensation now—when we are trying to settle the issue and the emperor is visiting this country—but try to do so in 10 years as a sop to their conscience, I hope that we reject their offer. It would not

[Dr. Michael Clark]

be right for them to offer compensation when most of the former prisoners have died from natural causes or because of what happened to them in the camps—that would be a cheap and tawdry way for them to avoid their responsibilities.

When I first started work with ICI in 1960 or thereabouts, a Japanese delegation visited the plant at which I was working and offered us all a high-quality slide rule—I still have mine. I accepted it reluctantly, however, as I did not want to receive a gift from the Japanese 15 years after the war had finished.

All that is out of the way now—like many of my constituents, I buy Japanese goods and possess Japanese electronics. We have given up boycotting goods from Japan. We meet Japanese people on equal, friendly terms—as chairman of the Inter-Parliamentary Union, I had many good meetings with good Japanese people. However, those good people must realise that there were bad days. The Japanese nation and Government must recognise that fact and, in doing so, consider compensating the ex-prisoners.

The ex-prisoners I meet do not want pity; they want justice, as all hon. Members want justice for them. In every court in the world that I know of, especially in cases of physical hurt or where the damage sustained has affected people's earning power, justice consists of not only the word sorry, but appropriate compensation. That is the justice that the House wants for the ex-prisoners of war.

11.38 am

Mr. David Lepper (Brighton, Pavilion): I add my congratulations to my hon. Friend the Member for Reading, East (Jane Griffiths) on securing this debate, and on the knowledge and sensitivity that informed her speech. I wish that we did not have to have this debate; the issue should have been settled years ago, in so far as it can be settled by words and money. As the generation that came after the second world war—looking around the Chamber, I guess that, with one or two exceptions, all of us are of that generation—we should not still have to be debating the issue. However, this is an appropriate time for us to debate it.

I pay tribute to the work of the Association of British Civilian Internees Far East Region, which has unearthed documents in the Public Record Office at Kew that suggest that there are grounds for us to reopen the legal question of the compensation that was agreed in the San Francisco peace treaty. It has also found that secrecy surrounded the decisions of the British Government in 1955, when this issue was brought to the attention of Ministers and civil servants. I hope that we shall hear from the Minister today that serious consideration will be given to the implication of those investigations—that the compensation issue could be reconsidered on a legal basis.

It is also an appropriate time for this debate because, as my hon. Friend the Member for Blackpool, South (Mr. Marsden) has reminded us, just this week, the Japanese courts made a decision in relation to the treatment of the so-called comfort women from Korea and the compensation that has been awarded to them.

Having inherited that legacy from past British Governments, this Government also have responsibilities. It was the British Government who advised and, in fact, requested at the outbreak of the second world war that civilian workers in the far east should stay where they were in post for the good of the empire. Subsequent British Governments have inherited a responsibility to honour their debt to those civilians working in the far east, as well as to military personnel who became prisoners of war.

I hope that this Government will carefully examine the anomalies in the social security system that may still prevent some survivors of the prisoner-of-war and internee camps from claiming benefits to which their equivalents—their colleagues—in other countries are entitled. I have heard stories that some injuries are not deemed relevant for benefit because medical records made when the injuries were received are not available. Is it any wonder that the medical records from prisoner-of-war or internee camps are not available? I hope that that is another issue that our Government will take up.

Mr. Peter Bradley (The Wrekin): Is it not sad that many former prisoners of war and civilian internees too often have cause to consider the War Pensions Agency as the enemy within? I think of my constituent Mr. Ian Mason-Summers who, having spent many of his formative years in Changi, has been pursuing a claim for justice for nine years with the WPA. At a time when we should be giving recognition and respect to the dwindling number of people who served and suffered for their country, is it not sad that all too often, the WPA is adding insult to injury?

Mr. Lepper: I thank my hon. Friend for his intervention. I agree with that point and use it to emphasise a message that I hope the Minister will take back to his colleagues in other Departments: we want them to examine these issues seriously.

I am sure that we all welcome the steps that have been taken—which have been described by my hon. Friends the Members for Reading, East and for Blackpool, South—by the Japanese Government both to acknowledge the serious errors of past Japanese Governments and, indeed, to make some recompense, but still not enough has been done. I find it hard to reconcile the stories that I hear from survivors of those camps of the treatment they received with my personal experience of an all-too-brief visit to Japan, and with the courtesy and frankness that I have found during my informal conversations since being elected to the House with Japanese embassy staff. I find it hard to reconcile those stories with the difference in culture that I suspect has arisen in Japan over the past 50 years.

I am pleased that I represent a constituency that shares with Hiroshima and Nagasaki the honour of having been designated a United Nations peace messenger city. Brighton received that honour, as have other cities, because of our special concern and work to help to mitigate the effects of war, particularly on civilian populations. Increasingly, it is civilians who suffer in time of war. I mean no disrespect to military prisoners of war, but I should like the House to consider in particular the experiences of civilian internees in the far east in the second world war.

I have talked about the appropriateness of this debate. There could be no more appropriate time in view of the emperor's visit next month, and I look forward to that

visit. It gives those of us who represent the post-war generation in both our countries an opportunity to signal the beginning of a new era in the relationship between our two countries, and it gives the Japanese Government the opportunity to take that essential step further in terms both of acknowledgment and of compensation, for time is running out.

Over the past 20 years, I have had the honour and privilege of meeting on many occasions members of the Burma Star Association in the Brighton and Hove area. Every year, of course, fewer and fewer association members are able to come to those meetings but, when the last member has died, the memory of what they and the civilian internees suffered will not have died with them. I hope that, today, we shall have some assurances from the Minister that the emperor's impending visit will be taken as an opportunity for us to settle, in so far as words and finances can settle it, this issue, which should have been settled 50 years ago.

11.47 am

Mr. Shaun Woodward (Witney): I, too, congratulate the hon. Member for Reading, East (Jane Griffiths) on raising this subject. It is an important and obviously timely debate, with the impending visit of the emperor in May. I should declare the fact that I paid my first visit to Japan only last year as a guest of the Japanese Government. Like many people who have been fortunate to visit Japan, I could not help but be terribly impressed by it because it clearly is a different country and has a different culture from the Japan of 60 years ago, which embarked on a very aggressive imperialist policy in its world war activities. Things have clearly changed.

Japanese people are now outward-looking; they want to promote peace. Indeed, many people in Britain—65,000 or so people directly benefit from jobs from Japanese inward investment—have to be grateful; Britain has to be grateful that 40 per cent. of Japan's external investment comes this way. There is much to be said on the positive side, but—I do not wish to disagree with the hon. Member for Reading, East and I am sure that this will not be taken in that sense—I do not believe that we can close the door on the past. I say that with deeply held conviction.

One of my constituents, Arthur Titherington, chairman of the Japanese Labour Camp Survivors Association, is in the Gallery today. In the past 10 years, since founding the organisation, he has worked tirelessly in promoting the cause of the 14,500 people who have belonged to the association. The cause has been a difficult one for Mr. Titherington to pursue, as it causes him to recall not only much personal pain, tragedy and loss, but his many friends who suffered and died.

Since its inception 10 years ago, the organisation's membership has fallen from 14,500 to 9,500, simply because its members are elderly and some have died. As the hon. Member for Brighton, Pavilion (Mr. Lepper) said, time is running out. We cannot close the door on the organisation's 9,500 remaining members, or on the widows who have been left behind.

I do not believe that we can say that the 1951 treaty created a legal buttress to justify not pursuing the case of former prisoners of war. The argument has not only a legal basis, but a very important moral one, which is as relevant in the world today—as we consider pursuing those who committed war crimes in the former Yugoslavia—as in the past. We should not forget. It is right that we should, as a civilised society, continue with negotiations, not only for the sake of those who have suffered, but to show that we will be staunch in dealing with the matter in future.

Despite the emperor's imminent visit, the Government should not avoid the issue entirely. However, I do not share the view held by some people that public protests during the visit would be constructive. In the past few years—because of the work particularly of my right hon. Friend the Member for Huntingdon (Mr. Major), but also that of the Prime Minister—the Japanese Government have shown that they are prepared to make some progress on the issue. Their new attitude was demonstrated by the fact that, last year, they offered a different type of apology from that which they had offered previously. Nevertheless, more can be done.

The prisoner of war issue is not a party political one. However, last night, Mr. Titherington and his colleagues were gravely disappointed after leaving a meeting with the Minister. They had been led to believe that more could be done, and they now rightly expect the Government to continue pressing their important case.

I ask the Minister today to tell the House what further action he will take. Much has already been achieved, for which we must give full credit to the Prime Minister and to Ministers. Nevertheless, we cannot say in the case of Mr. Titherington and his colleagues that we have done what we can; we must pursue the matter.

The House will welcome two actions: first, the Minister telling us today what he will do; secondly, his conveying to the Prime Minister the obviously very strong feeling of hon. Members on both sides of the House that the matter should not be allowed to rest. The matter should be pursued until adequate compensation and terms of apology have been received.

11.52 am

Mr. Lindsay Hoyle (Chorley): I congratulate my hon. Friend the Member for Reading, East (Jane Griffiths) on securing this debate. All hon. Members know someone who has been a prisoner of war, which shows that many former POWs are still alive and hold memories of their suffering. The House must preserve those memories, as the Japanese will neither acknowledge nor pay for their deeds. The time has come when they must stand up and pay. What better opportunity could the Japanese have to establish a fund for former POWs and—I agree—civilian internees than the emperor's visit to the United Kingdom? Let the Japanese pay now, before it is too late—and 10 years from now will be too late.

A friend of mine, Jim Hodson, is a Labour party member and former POW. He never discusses what happened to him as a POW or complains about it. He is a man of silence and keeps to himself what happened in that camp. However, I believe that he should be compensated for his suffering in the camp and for the emphysema that he now suffers. Everyone else who suffered in camps should also be compensated. Although his silence is a tribute to his qualities, he must live daily with his memories, and go to sleep each night with thoughts of what he has suffered.

The time has come for the House to unite not in attacking Japan, but in pleading with it to do the decent thing—to put compensation on the table. Let the emperor come with a gift to those who have suffered.

11.54 am

Mr. Mark Oaten (Winchester): I join other hon. Members in congratulating the hon. Member for Reading, East (Jane Griffiths) on securing this debate, which has been very positive. The speeches have shown the strength of all hon. Members' feeling about the need not only to see justice but to represent the many former prisoners of war who have come to our constituency surgeries.

As one of the co-chairmen of the all-party group representing prisoners of war, I am extremely concerned at possible events in the next month, in the run-up to the emperor's visit to the United Kingdom. Later in my speech, I shall focus on ways in which we can try to work together to make the visit a success.

Let me start by recalling a cold December evening last year, and one of my surgeries in my Winchester constituency. All hon. Members will agree that, as we look ahead to our surgeries, we often wonder what complicated issues we may have to face. However, that surgery was slightly different, because Keith Martin—one of my constituents, and chairman of the Association of British Civilian Internees Far East Region—came to discuss an issue, which I must confess that I, as a relatively young Member of Parliament, knew very little about.

Keith Martin told me about his experiences as a prisoner of war. At the outbreak of the Pacific war, he was 13. Between 1941 and 1946, he did not see his mother, as she was in Stanley prison, in Hong Kong. He was forced into hard labour. As we were nearing the end of our conversation, he said that, towards the end of his internment, he had to dig the grave of one of his friends. I was appalled to hear those experiences. I think that many young people find it very difficult to comprehend what happened to former POWs.

Keith Martin asked that an all-party group on prisoners of war should be established, to provide a forum within Westminster to deal with the issue. He acknowledged that we have come close to achieving that goal, and said specifically that the hon. Members for Rotherham (Mr. MacShane) and for Teignbridge (Mr. Nicholls) had been instrumental in raising the issue on the Floor of the House. I praise them for their work over the years. Although they came very close to establishing an all-party group, the general election intervened and stopped progress on it.

I confess that I wrestled with the idea of becoming involved in trying to establish an all-party group. My initial reaction was to ask, "Why should we drag up the past? Why should we not look forward?" However, after discussions with prisoners of war and many other people, I became absolutely convinced that we can begin to look to the future only by re-examining and properly settling the past. It was right and proper to establish the group. Unless the issue is resolved, it will always be a thorn in the side of relations between the United Kingdom and Japan.

We established the all-party group to provide a voice in Parliament to those representing former POWs and civilian internees. In establishing the group, we received help from the Royal British Legion in accessing as many groups as possible. The group has been in touch also with many individuals throughout the country. From our contact with groups and individuals alike, we have been able to develop a picture of the gritty spirit that they have shown over the years.

It is a shame that this is not the first time that the House has debated the issues surrounding former POWs and civilian internees; some of the groups must be wondering when any progress will be made.

The all-party group is not a pressure group; we are trying to obtain the views of the individuals concerned, and I acknowledge that there are many difficulties and differences about the way in which progress should be made. Nevertheless, it is an all-party group, and I am delighted that the right hon. Member for Wealden (Sir G. Johnson Smith) and the hon. Member for Southampton, Test (Dr. Whitehead) are my fellow co-chairmen.

Dr. Alan Whitehead (Southampton, Test): I pay tribute to the hon. Gentleman for his tenacity in finally setting up the all-party group. That group has received wide support and the feeling is widespread in the House that something needs to be done to reflect what we have heard this morning. Has the hon. Gentleman raised the issue with the relevant Minister, and if so, what response has he received?

Mr. Oaten: I can confirm that the all-party group has been in contact with the Minister, and I am delighted to say that we had a positive response and that he is to hold a meeting with the all-party group next week. I welcome that as a chance to raise the issue, and the group is grateful for the responses that we have received.

In December, it was announced that the Japanese emperor was to make a state visit to this country. When his father came here in 1971, he was greeted by silent crowds. All hon. Members who have spoken in this debate, and the former POWs, would want to seek a way forward to avoid that happening again; but survivor groups have made it absolutely clear that they intend to use the visit as a focus for their efforts.

There is concern among survivors that the compensation and apology issues are being glossed over and that we may be forgetting too easily in order to forgive. The groups planned peaceful demonstrations, and the news early in April that Britain is to give the emperor the highest order of chivalry, the order of the garter, brought their concerns into sharp focus. I believe that hundreds of survivors will now line the Mall and turn their backs on the emperor as he passes. I do not want that to happen, but I understand the motives that may cause it to. I hope that all efforts will be made to avoid it. The Royal British Legion, the Burma Star Association and the Burma Campaign Fellowship Group have asked me to say that they have decided not to take part in those demonstrations.

Everybody is anxious to avoid the protests, but I believe that public opinion is with the former prisoners of war. There have been no opinion polls, but I fear that the Government may have misjudged the issue and that the demonstrations may capture the public mood. At annual parish council meetings in Winchester over the past couple of weeks, I have spoken to about 500 individuals, 90 per cent. of whom felt that there was great injustice in the emperor being awarded the honour in the absence of an apology or compensation.

We must address in the coming month the two pivotal issues of compensation and an apology. We should not say, as I believe the Government have been saying, that the subject of compensation should not be brought up again. It cannot be put aside so easily.

The hon. Member for Brighton, Pavilion (Mr. Lepper) talked about research—conducted, in fact, by my constituent, Keith Martin—into compensation. Forgotten documents from 1955 that have been found in the Public Record Office suggest that the 1951 San Francisco treaty may not be the last word on the issue.

A Foreign Office note of 26 May 1955 agreed that Japan's settlement with Switzerland—which was the equivalent of more than £2,000 per person, as opposed to the £71 that the British POWs got—and the compensation settlements with Burma, gave those countries' POWs greater advantages than those accorded to the signatories of the 1951 treaty. The document refers to article 26 of the treaty, under which, if Japan were to grant any state greater advantages than those provided by the treaty, it would be obliged to extend that to the other parties: in simple terms, what was right for Switzerland and Burma should have been right for our POWs.

The Foreign Office decided at that time that, in the interests of the restoration of the Japanese economy, it should not invoke article 26 and claim parity with the Swiss and Burmese settlements, unless there were material changes in circumstances. A note from Lord Reading at the end of the memorandum says:

"I agree. We are at present unpopular enough with the Japanese without trying to exert further pressure which would be likely to cause the maximum of resentment for the minimum of advantage."

I hope that the Minister will not say that, because the articles were drawn up so long ago, they cannot be revisited. If there is a chance that they are still legally binding, we should pursue the matter. After all, we have taken that stance on the issues of war criminals and gold in Switzerland, saying that they need to be pursued to the end. However remote the chance, all legal avenues should be explored.

The Prime Minister's visit to Japan in January afforded an opportunity to promote a more positive image. I warmly support that, and hope that progress will continue. The Prime Minister rightly raised the issue of the treatment of prisoners of war. He was given an expression of deep remorse and heartfelt apology to those who suffered in the second world war, but that apology failed to meet the requirements of the former prisoners of war, which I support.

The apology was not given in public or in this country, and it was published here in *The Sun*, hardly the most dignified vehicle for such a declaration. It was not meaningful, because the critical words were not used. Previous apologies have not been viewed as definitive, principally because the wording has never been acceptable in relation to the scale of the atrocities that took place. Despite the sincerity of those who have uttered those apologies, they have consistently been undermined by dissidents from within the Japanese hierarchy.

I urge the Foreign Office to do all that it can in the weeks ahead to make progress with the apology issue. What better way to celebrate the emperor's visit and move forward in relations with Japan than to have a proper apology? To overcome the problem of the emperor having to use his own words to make what would, I suppose, be regarded as a political statement, I urge the Japanese Government to permit him to deliver a clear, public apology in this country on their behalf. That would give the former prisoners of war what they are seeking.

I urge the Minister and the Foreign Secretary not to say that the issue is resolved but to use the visit as a focus for diplomatic action, to try to re-examine the legal issues about compensation and to seek the necessary apology, so that we can celebrate the visit and satisfy the prisoners of war who have been waiting so many years for justice.

12.7 pm

Mr. David Faber (Westbury): Since the Jopling reforms initiated these Wednesday morning debates, there has been some scepticism about their value, but we would all agree that today we have seen the House at its very best, and have had contributions of the highest quality, without a single exception.

This is an important and timely debate, and I, too, congratulate the hon. Member for Reading, East (Jane Griffiths), not only on securing it but on the sensitive and knowledgeable manner in which she introduced it.

Last December saw the 56th anniversary of the outbreak of war in the Pacific. I strongly endorse all the moving tributes paid this morning to all those who fought so bravely in Asia, whose courage resulted in the lasting peace and stability that we enjoy today.

My hon. Friend the Member for Rayleigh (Dr. Clark) movingly reminded us about conditions in the camps, and I echo the tribute paid by my hon. Friend the Member for Witney (Mr. Woodward) to the veterans' groups. In particular, we remember those who paid the ultimate price for peace, together with those whose military service regrettably led to their imprisonment.

The hon. Members for Brighton, Pavilion (Mr. Lepper) and for Winchester (Mr. Oaten) mentioned the recent claim by veterans that they have uncovered documentary evidence in the Public Record Office at Kew that merits a new challenge to the compensation paid to surviving prisoners under the 1951 San Fransico treaty of peace, which ended the state of war between the United Kingdom and Japan. At British insistence, the treaty specifically provided for compensation for former prisoners of war, and rightly acknowledged the brutal treatment to which allied service personnel in the far east had been subjected.

Article 14(a) of the treaty states:

"Japan should pay reparations to the Allied Powers for the damage and suffering caused by it during the war".

It gave the allies the right to seize and to dispose of Japanese property within their jurisdiction, although, as the hon. Member for Reading, East and others have said, that was done according to financial prosperity.

The proceeds of Japan's overseas investments were taken in settlement of claims for compensation. The United Kingdom received about £3 million and a further £1.6 million from the International Red Cross, which had in turn received £4.5 million from the Japanese Government. Former military prisoners each received £76 10s, which works out at about £1,000 in today's money, and civilian detainees received £43, which is approximately £560. However inadequate the terms may have appeared to be—they still appear inadequate—it was accepted that the Japanese had discharged their obligations. The treaty was reckoned to be the final word on compensation and was regarded as the legal fulfilment of Japan's responsibilities.

Article 26 of the 1951 treaty states, however, that, should Japan make a peace settlement or war claims settlement with any state granting that state greater advantages than those provided by that treaty, those advantages should be extended to the parties to it.

[Mr. David Faber]

As the hon. Member for Winchester said, the new evidence details a reported arrangement between Switzerland and Japan under which Swiss nationals were compensated at a higher rate than those of allied countries. A story in *The Observer* on 18 January referred to the 1955 bilateral arrangement between the countries. The documents at the PRO have been interpreted as showing that the terms of the Swiss agreement are better than those of the 1951 treaty, which apply to the United Kingdom. Similar claims have been made about the agreement with Burma, which must be closely examined by the Government. The Foreign Office is conducting research on the documents, which we welcome, and hon. Members look forward to hearing when the Minister expects to announce the findings.

I should like the Minister to deal with a number of specific points. What factors are the Foreign Office using to determine the relative benefits of the Swiss, the Burmese and the British arrangements? How will officials determine their comparable worth in money terms after so many years? Having done so, will he say whether the terms of the Swiss agreement are better or worse than those offered to the United Kingdom? Do the Government consider that settlement to be a peace settlement or a war claims settlement?

We welcome the Government's acting quickly on preliminary legal advice. Although we heard on the radio this morning that that advice suggests that nothing has changed and that there will be no reopening of negotiations with Japan over payments, it would be extremely helpful if the Minister gave further details of what the advice suggests, from whom it came and when he hopes to receive a final opinion. There may be a problem over the time limit within which legal challenges are usually made. What advice have the Government received about the principle of extinctive prescription as it applies in international law?

Conservative Ministers discussed former prisoners of war with their Japanese counterparts, to express concern and to explore possibilities for alternative non-governmental initiatives. Although we could not become directly involved in legal cases brought by individuals or organisations, our embassy in Tokyo has always helped ex-prisoners of war by offering advice and by arranging meetings.

In June 1997, the present Minister said:

"Strong feelings, however, continue in this country and we are in close touch with the Japanese Government about these concerns."—[*Official Report*, 2 June 1997; Vol. 295, c. 86.]

Can he say more about any specific initiatives that have been undertaken to build on the important dialogue which we established previously, and what non-governmental initiatives have been pursued with the Japanese Government since 1 May?

As my hon. Friend the Member for Teignbridge (Mr. Nicholls) said, the previous Government drew the attention of the Japanese Government to this issue repeatedly and at the highest level. The former Prime Minister, my right hon. Friend the Member for Huntingdon (Mr. Major), broke with tradition and raised the plight of veterans with successive Japanese Prime Ministers. His visit to Japan in September 1993 marked a new stage in the discussions.

Prime Minister Hosokawa for the first time gave a full and detailed personal apology for the treatment of prisoners of the Japanese. He expressed his

"deep remorse and apologies for the fact that Japanese past actions had inflicted deep wounds on many people including former prisoners of war".

Prime Minister Murayama made an official statement on VJ day, apparently with the blessing of his Cabinet, in which he expressed his "heartfelt apology" and "feelings of deep remorse" for the damage and suffering caused to many people of many countries, including former British prisoners of war. Hon. Members will recall, however, the confusion about whether that apology had been made collectively on behalf of the cabinet or was personal.

During his visit to Japan in January, the Prime Minister raised the treatment of prisoners of war with Prime Minister Hashimoto, who gave

"an expression of deep remorse and heartfelt apology to people who suffered in the Second World War".

I whole-heartedly welcome that statement, but regret the confusion about whether it was collective and made on behalf of the Cabinet, or made personally by the Prime Minister. It should be considered as natural progress on top of previous apologies as a result of the work of successive Governments.

The Minister should clarify the outcome of the Prime Minister's discussions in Japan about prisoner of war compensation and what plans there are to discuss the matter again with the Japanese Government before the state visit by Emperor Akihito next month.

Conservative Members continue to respect the feelings of former prisoners of war, including those who seek compensation, and feel that the Japanese have not yet demonstrated clearly enough the sincerity of their apologies. As Jeremy Hanley, the former Foreign Office Minister, made clear:

"We have the greatest sympathy with those who suffered such terrible treatment at Japanese hands during the war, so we have not closed the book on the problem."—[*Official Report*, 4 December 1996; Vol. 286, c. 972.]

I welcome the emergence of new attitudes. In government, we sought to establish what might be done to help former prisoners, and although we did not achieve all that they wanted, I am proud that much progress was made and a greater understanding brought about. I welcome the good relations between our two countries, and have no doubt that progress will continue to be made under the new Government.

12.17 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Derek Fatchett): We have had an important debate, in which the House has done itself a great favour. The contributions of the eight Back Benchers and the hon. Member for Westbury (Mr. Faber) were of high standard and dealt with a sensitive issue in an understanding way. I congratulate my hon. Friend the Member for Reading, East (Jane Griffiths) on initiating the debate. Few of us can challenge her knowledge of Japan and of the Japanese language, and we were impressed by the way in which she set out the agenda at the start of the debate.

I compliment my hon. Friend the Member for Rotherham (Mr. MacShane), my parliamentary private secretary, who was involved in the establishment of an

all-party group, and thank the hon. Member for Winchester (Mr. Oaten) for his remarks about my hon. Friend.

There is only one point at which to begin my response to the debate. Hon. Members pay deep tribute to those who fought, suffered and died on behalf of their country in the far east during the second world war. Their sacrifice enabled each of us to enjoy the peace and prosperity which, sadly, we too often take for granted. Their courage has left an indelible memorial in the long annals of our country's history. We cannot and should never forget the pain and suffering that they endured so that the rest of us could enjoy freedom.

That applies particularly to those who were held captive by the Japanese, whether as prisoners of war or as civilian internees. All hon. Members who spoke were powerfully eloquent in describing the cruelty and brutality of the treatment of our fellow citizens who were taken prisoner by an enemy who showed little respect for normal humanitarian standards. While in recent years we have rightly condemned the atrocities in places such as Bosnia, we should always remember the appalling treatment that our people suffered in captivity in the far east. We did that this morning, and I am pleased to add my words to those of Government and Opposition Members.

It is against that background that, when I came into office last May, one of my first decisions was to invite Arthur Titherington and Keith Martin to discuss their concerns with me. Quite simply, we wanted to find, within the legal constraints which we inherited and to which the hon. Member for Westbury referred, how we could most effectively help the former prisoners in the far east. At the same time, we initiated a series of discussions with the Japanese Government to explore all possibilities. The hon. Gentleman asked me to report back on the talks, and I am willing to do so. He will understand that some of the discussions are necessarily confidential, but I will outline their nature.

It may be useful if I explain the extent of the discussions. I have raised the issue with successive Japanese Foreign Ministers and with the current and previous ambassadors, as has my right hon. Friend the Foreign Secretary. I took the opportunity when I visited Japan last November to raise them again. Senior officials, including the current and the immediately previous permanent secretaries at the Foreign Office, have held talks with their counterparts in Japan on exactly these issues. As the hon. Member for Westbury and others noted, my right hon. Friend the Prime Minister also raised our concerns.

I hope that the House accepts that, during the year in which we have been in office, we have been active on the issue and expressed our concerns. We do not claim any party political virtue for that, because we recognise that that path was also taken by the previous Government, but we wanted to work to see what progress we could make.

During the discussions, the Japanese Government told us that they appreciated the sensitivity of the matter. They rightly saw it as the only outstanding difficulty in our bilateral relationship. They rightly pointed out that many individuals were executed or punished for their cruel behaviour in the camps as a result of the war crimes tribunals after the war. They pointed out that the question of compensation was legally settled by the San Francisco peace treaty of 1951, to which hon. Members have referred. They also said in all those meetings that they were not prepared to reopen the treaty on compensation but they expressed a strong desire to promote reconciliation between Britain and Japan and with formers prisoners of war.

Mr. Nicholls *rose—*

Mr. Fatchett: I apologise to the hon. Gentleman, but I should like to continue. If time becomes available, I will give way.

It may be useful to make a short digression to respond to the points made about the legal situation. The hon. Member for Westbury in particular asked several questions. Individual members of the Japanese Labour Camp Survivors Association and the Association of British Civilian Internees Far East Region, supported by their associations, are suing the Japanese Government in the Japanese courts for compensation. The Government, like our predecessors, have no desire to obstruct such action by individuals. To put that more positively, our embassy in Tokyo has given assistance during the visits of the various organisations and individuals to Japan.

ABCIFER has recently produced documents relating to the 1955 agreement between Japan and Switzerland. It is claimed that they show that the Government of the United Kingdom should reopen the San Francisco peace treaty to secure improved compensation. Several hon. Members mentioned that. This is a highly complex matter. The Department has been engaged in thorough research of the historical facts and legal implications. Our researches continue, but it might be useful to bring the House up to date with some of the background information.

I confirm that it appears that in 1955 a conscious policy decision was taken by the then Conservative Government Minister Lord Reading not to reopen the question of compensation with the Japanese on the basis of the Swiss agreement. We make no party political point out of that. It is on the record in one of the documents that former prisoners of war have brought to our attention. It seems that the decision was based on the considerable legal and practical difficulties, as well as on what Lord Reading called, in the document to which the hon. Member for Winchester referred, the fragile state of the Japanese economy at the time.

It does not follow that, because officials thought it legally possible to reopen the question then, that remains the case. The preliminary legal advice that I have received is that it is not now open to the Government to reopen the provisions of the peace treaty on that basis. However, as I said to Keith Martin and Arthur Titherington last night, we will willingly make our preliminary legal advice available to them. I have promised to write to them on that basis. Because of the interest in the House, I will be happy to write to hon. Members setting it out. That information should be, and will be, in the public domain.

I have described the intensity and seriousness of our discussions with the Japanese Government. I do not believe that any of the allied Governments involved in the war in the far east have held such intensive discussions with the Japanese Government on the position of their citizens who were held captive. As I said, the Japanese ruled out further compensation but showed themselves alive to the sensitivities involved. As the talks proceeded, I kept Arthur Titherington, Keith Martin and others

[Mr. Fatchett]

informed, because I thought that that was the right thing to do. I assure the House that, whenever opportunities arise, we will continue to raise our concerns with the Japanese Government.

Those efforts culminated in the Prime Minister's discussions with his Japanese counterpart, Mr. Hashimoto, when he visited Tokyo in January. In the end, most of their bilateral meeting was devoted to this one issue. In response to our representations, Mr. Hashimoto made a formal statement on behalf of his Government expressing

"his feelings of deep remorse and heartfelt apology for the tremendous damage and suffering of that time."

I have quoted the exact words. It seems to us impossible to see that as other than an official statement of apology by the Japanese Government. On that basis, we, with others such as the Royal British Legion, have welcomed and accepted it as an apology.

Mr. Hashimoto also told the Prime Minister that, although the Japanese Government could not pay further compensation, they were prepared to use their resources to promote reconciliation. They would finance pilgrimage by British veterans to the war cemeteries of south-east Asia, give scholarships to the grandchildren of former prisoners, and expand programmes of visits by formers prisoners and their families to Japan.

In making that statement to my right hon. Friend, Mr. Hashimoto was responding to the concerns felt by many ordinary people in this country, so when a British newspaper suggested that he write a signed article for it, my right hon. Friend urged Mr. Hashimoto to use the opportunity to repeat what had been said in their private meeting, directly to the British people. Mr. Hashimoto subsequently ran into some criticism in Japan for writing in a British newspaper, but he has confirmed to my right hon. Friend that he was glad to have done so. As he said in his article, his action

"will not bring back the dead. But I hope the British people will see it in the spirit in which it is intended—one of reconciliation and peace and hopes for the future."

These issues take us back to what is for many a tender and difficult past. As a Government, we have been trying to work with the Japanese Government in relation to that past. We shall continue our efforts, in the clear knowledge that not one citizen of this country or Member of Parliament forgets the sacrifice that was made by the prisoners of war in the far east.

Alcohol Misuse

12.30 pm

Mrs. Marion Roe (Broxbourne): As vice-chairman of both the all-party group on alcohol misuse and the Conservative health committee, I welcome this opportunity to bring the issue of alcohol misuse to the attention of the House. I have long been aware of the role played by alcohol misuse in public health and the health and social costs to individuals, families and business, not to mention the cost to our health and social services in picking up the pieces.

Alcohol is an extremely complex policy area, not least because it is, as the Royal College of Psychiatrists puts it, "our favourite drug". I accept the drinks industry's argument that many people drink without causing a problem for themselves or for others, but my experience as former Chairman of the Select Committee on Health, my contact with the local alcohol service in my constituency and my knowledge of the facts available from a range of national organisations tell me that there are many people who misuse alcohol and cause problems for society as a whole, but who do not see themselves as misusers.

I was pleased to see in the recently published Green Paper "Our Healthier Nation" that the Government are

"preparing a new strategy on alcohol to set out a practical framework for a responsible approach".

There is a little more detail than that, but I hope that the eventual White Paper will be used as an opportunity to tackle the whole range of alcohol-related problems in a strategic and co-ordinated way. Alcohol policy is not only about how much individuals drink and whether they are below the recommended safe levels. That forms an essential part of the strategy, but it is only part of the jigsaw. The jigsaw needs to include the whole range of alcohol-related harm and the whole range of solutions. It should address the impact that drinking can have on families, its contribution to violence, its role in accidents and its net impact on the efficiency of British industry. Let me highlight just a few of the issues that are at stake.

Children, as is so often the case, are the biggest losers when alcohol problems occur, both as drinkers themselves and as sufferers from the effects of a parent's drinking. Educating young people about alcohol and how to drink safely is of the greatest importance, especially in light of increasing levels of drinking among 11 to 15-year-olds and, it would appear, increasing levels of harm.

I was perturbed to read of a study published in the *British Medical Journal* conducted by Dr. Joan Robson, a consultant in accident and emergency at the Royal Liverpool Children's hospital. Dr. Robson monitored the accident and emergency department for 12 months; in that time, about 200 children and adolescents under the influence of alcohol were brought in requiring either resuscitation after a large overdose of alcohol, or treatment for injuries sustained in assaults or accidents while they were intoxicated. Similar results have been reported by studies in hospitals throughout the country.

Finding the most effective way of teaching young people about alcohol should be a priority, given how easily they can get hold of it to experiment. The example set by adults around them is also important for teaching children and teenagers how to use alcohol, especially as

research has shown that the children of parents who drink sensibly or moderately are more likely to develop less risky patterns of drinking behaviour themselves.

Many children suffer because of a parent's drinking or the drinking of other adults in their life. Before Christmas, hon. Members may have seen some of the publicity for two excellent reports on the children of problem drinkers, by Alcohol Concern and Childline. The two charities point to the fact that nearly 1 million children are living with a parent whose drinking has reached harmful or risky levels.

Some of those children are coping without help with parents who abuse them physically or sexually, neglect them emotionally, or fail to feed and clothe them properly. Those children often have nowhere to turn and they feel to blame for what is happening; inevitably, that adversely affects their own behaviour and emotional development. Helping those children and their parents requires a multi-agency approach: local authorities, health professionals, teachers and alcohol service providers, to name but a few, are the key players.

Domestic violence is another example of an issue that is often alcohol-related, but where the alcohol factor is often overlooked or else not directly addressed, and a wide range of agencies need to be involved to develop an effective joint approach. Violence against women has been highlighted by the Cabinet Sub-Committee on Women as a priority area for action. Alcohol, which is a factor in about 40 per cent. of domestic violence incidents, should be taken into account when considering what action to take, but discussions about alcohol's role in domestic violence—or in any of the other problems that I am highlighting—should also be conducted with one eye on the bigger picture.

A strategic approach would look at the issue of violence against a partner or relative in conjunction with all the other issues, such as the impact on children of a parent's drinking. It would also look at the financial and work problems that alcohol misuse can bring to a problem drinker and their family; and the availability of specialist counselling and treatment services for the drinker and support for the family.

Mental health has rightly been identified in the public health Green Paper as a priority area for action. The role of alcohol misuse in depression and suicide—particularly among heavy-drinking young men—is well documented and should be addressed in suicide prevention activities. The mental health of those around a problem drinker must also be considered. I have already talked about the children of problem drinkers and the impact on their emotional development, but other family members who suffer violence, stress or exhaustion as a result of an individual's alcohol problem are an extremely important group. Their mental health, as well as the mental health of the drinker, is at great risk.

Social exclusion is another important problem being tackled by the Government. In assisting individuals to live healthier lives, to participate in society and to improve their own economic and social circumstances, issues such as alcohol misuse need to be tackled. With one in 20 adults in Britain dependent on alcohol and 2 million people drinking at risky levels, everyone needs to have access to high-quality services that can help people to combat an alcohol problem, look at the underlying problems that lead them to misuse alcohol and support their families through a difficult time.

I have strong links with the Hertfordshire Alcohol Problems Advisory Service—HAPAS—in my constituency and am pleased to serve as vice-president to the organisation. When I visit HAPAS, I am always impressed by the range and quality of the services that it offers. The dedication of the staff and the many volunteers who work with HAPAS is commendable, especially as they are not working with an easy issue. They have to spend a lot of time trying to persuade health and local authorities and probation and prison services to fund not only the provision of counselling and treatment services for problem drinkers but preventive and educational activities to reduce alcohol-related harm.

While many local purchasers understand the importance of tackling alcohol problems, they inevitably have restricted resources with which to address a whole range of issues. However, a powerful joint statement issued in February by the Association of Directors of Social Services, the NHS confederation, the Association of Chief Officers of Probation, and Alcohol Concern clearly shows that those organisations recognise the impact of alcohol misuse and the consequent drain on community resources. The statement calls for a cross-governmental co-ordinated strategy to provide a framework for the joint planning and implementation of local alcohol strategies.

Alcohol misuse features largely in another target area identified in the public health Green Paper—accidents. We hear a lot in the media about drink-drive accidents, and I am very pleased that the Government are consulting on new measures to reduce further the number of deaths and injuries from drink-driving. However, we hear very little about the major role that alcohol plays in other accidents. For example, alcohol is involved in 26 per cent. of drownings, 39 per cent. of deaths in fires and 25 per cent. of workplace accidents.

If one were to extend action on accidents to include injuries, it would become obvious that the role of alcohol was even bigger. I have mentioned the alcohol-related injuries that arise in many cases of domestic violence. Another good example is the role that alcohol plays in facial injuries. Recently, the British Association of Maxillo-Facial Surgeons launched a campaign to highlight the number of serious, and often permanent, facial injuries caused by excess alcohol. Its survey shows that nearly 70,000 people a year suffer injuries to their face because of alcohol—some from falling while drunk, others from attacks by someone who is drunk, often with a broken beer-glass. In addition to the disfiguring scars, nerve damage and lasting psychological effects on their lives, the costs to the health service of treating those injured is high.

I hope that, in targeting accidents as an area of activity, the Government will take account of the role of alcohol, but I also hope that the fact that alcohol has such a big role in accidents, violence and mental health, not to mention social exclusion, will lead the Government to put their weight behind developing and implementing a worthwhile, really effective alcohol strategy, instead of simply conducting a paper exercise that will have no real impact.

In putting together the pieces of the alcohol policy jigsaw, there are very many key players whose contribution is essential but who need to be co-ordinated both locally and nationally. Jointly, they need to decide where the most impact can be made and what the main

[Mrs. Marion Roe]

objectives of an alcohol strategy should be. Separately, they need to acknowledge the seriousness of alcohol problems and make a commitment to working together toward agreed aims.

I include the Government in that equation. About 11 Government Departments have an interest in alcohol issues. The obvious ones are the Departments of Health and of Social Security, the Home Office and the Department for Education and Employment, but there is also the Treasury, which is responsible for alcohol duty; the Department of the Environment, Transport and the Regions, which has an interest in reducing drink-driving; the Department for Culture, Media and Sport, which has an interest in sponsorship and advertising; and the Department of Trade and Industry, which has an interest in the impact on business of alcohol problems. In developing alcohol policy, there must be co-ordination across Government, with a view to reducing the health and social costs of alcohol problems while taking account of industry and tax revenue concerns.

As work begins to develop a new strategy on alcohol, as promised in the Green Paper, it is important for the Government to recognise that half-measures will not be good enough. Fiddling around at the edges of alcohol-related problems will not make a significant difference. Not only do properly considered and constructed objectives need to be established, but the means of achieving them, and clarity about who will be given the lead in achieving them, are essential.

The obvious parallel to this process is found in the structures set up under the "Tackling Drugs Together" initiative, which are being continued in the new drugs strategy launched on Monday 27 April, "Tackling Drugs to Build a Better Britain". The experience of "Tackling Drugs Together" proves that progress can be made on such an issue. Clear objectives with a time scale were set, support and guidance from the centre were forthcoming, and the necessary resources were provided. The Government's high-profile commitment to "Tackling Drugs Together" resulted in an equal level of commitment from all the key agencies at local level that became active members of the local drug action teams set up to drive the work forward. Those teams—with members from, among other sectors, the police, probation, health and local authorities—have been, and will continue to be, instrumental in achieving progress.

However, while alcohol has been given a minor mention in the new drugs strategy, but specific action on alcohol lags far behind that on drugs. The majority of drug action teams decided some time ago to include alcohol in their brief. They did so because their members recognise the level of problems that alcohol causes and the need to address those problems in the multi-agency way that the drug action team provides for.

Adding work on alcohol to the work of drug action teams is better than nothing, but why should alcohol always be tacked on to drugs? Some areas of education and treatment overlap, but there are very many areas where there is little or no overlap, and where different approaches are needed. The Hertfordshire drug action team in my constituency is a case in point. While welcoming the fact that it has embraced alcohol in its structure and work, the local alcohol service, HAPAS, has told me that it has a major concern about the lack of firm national direction on alcohol, and the lack of formal support for the alcohol work that is being undertaken.

If the existing drug structures are to be used to address alcohol issues, the process needs to be done properly, with alcohol-specific objectives set at national level to take account of priority areas of activity, and evidence of what works. Teams tackling alcohol need to be provided with the necessary information, support and guidance on alcohol to do the job. Finally, they need to have the all-important backing that comes from explicit Government commitment as well as the necessary resources to make real progress. For drugs, that was forthcoming in the high-profile appointment of a drugs tsar. I ask the Minister: will there be a similar high-level appointment for alcohol?

Hopefully, with the Government's new commitment to developing a national strategy on alcohol, we shall see some long-overdue attention being paid to alcohol problems. However, it would be all too easy for the present Government to pay lip service to tackling alcohol misuse in all its forms, but not to come up with any real commitment or action to reduce the great amount of harm caused by alcohol in our society.

12.45 pm

The Minister for Public Health (Ms Tessa Jowell): I am grateful to the hon. Member for Broxbourne (Mrs. Roe) for raising this important issue, which the Government take very seriously indeed. In less than a year since taking office, the Government have made considerable progress; moreover, we have already marked out the scope of development to come. There is an enormous amount of common ground between us, in the analysis of the problems and in our views on the nature of the solutions needed to tackle alcohol misuse effectively.

Alcohol misuse is a significant public health issue. We treat it as such now, and shall continue to do so. However, we are not interested in depriving of their drink millions of people whose moderate consumption causes no harm to themselves, their families or society. If policies to combat abuse are to be effective, we need widespread public support. There is no place for crusading zealotry against alcohol as such.

In dealing with such a complex subject, we need a balanced, realistic, sensible and practical approach to policies on alcohol. We need to address the harm that it causes, not the substance; that means no nannying lectures. We must recognise that the action that the hon. Member for Broxbourne proposed so clearly will come about not only as a result of the right type of partnership, led by Government, delivered locally, but as a result of a high level of individual understanding about the difference between sensible drinking and alcohol abuse.

The hon. Member for Broxbourne is absolutely right when she identifies the issue as one of those wicked, cross-Government issues. At least a dozen different Departments have responsibilities that are relevant to alcohol. No single Government Department can take action on it without immediately affecting the interests of other Departments. We aim to draw all those interests together, into a more coherent framework, and to tackle alcohol abuse on a more consistent basis across Government, recognising that it is, in essence, a cross-departmental concern.

That is what we meant in the Green Paper "Our Healthier Nation", when we said that we were preparing a new strategy on alcohol to set out a practical framework for a responsible approach, harnessing the resources of Government to deliver the range of action that is necessary for a meaningful and effective approach to alcohol abuse.

We have already made a significant start. When we came to power, the alcopops problem was reaching a new pitch of public concern. The Home Secretary promptly took action and established an interdepartmental ministerial group under the chairmanship of the Under-Secretary of State for the Home Department, the hon. Member for Knowsley, North and Sefton, East (Mr. Howarth), to tackle not just the problem of alcopops but the under-age misuse of alcohol in general. The hon. Lady gave us the figures behind the real anxiety about the increase in drinking among very young children. Let me add to her list of evidence by saying that the Health Education Authority survey of 1996 found that almost one in eight of all 13 to 14-year olds and half of all 15 to 16-year-olds who usually drink at least once a month reported having felt drunk in the previous month.

We should not underestimate the significance of this problem. Our success will lie in recognising that we must tackle the problem, not the substance. We must focus on the misuse of alcohol, not on drinking generally.

I am pleased to say that the inter-ministerial group on which I represent the Department of Health has had a significant impact, with an encouraging response from the industry. The revised Portman Group code of practice on the naming, packaging and merchandising of alcoholic drinks, launched last July, took on board our suggestions for an additional range of controls. To reinforce this self-regulation by the industry, we also announced an additional package of complementary measures, including measures to allow the police to confiscate alcohol from people under the age of 18 drinking in public, and the creation of an offence of adults buying alcohol from a shop or off-licence at the request of an unsupervised youngster.

The ministerial group will review progress later in the spring and again in the autumn, after some of the industry's self-regulatory measures have been given time to operate. I refer, for instance, to the revised code of practice and the revamped proof of age card. If the results do not show that significant progress is being made in tackling the problems that we have identified, the Government will act—we have made that clear to the industry.

That is just one example of cross-departmental work in action. In addition, other Government Departments are engaged in major new work relating to alcohol. The Department of the Environment, Transport and the Regions issued a consultation paper on drink-driving in February, while Customs and Excise recently completed a review of alcohol and tobacco fraud. There has also been considerable interdepartmental co-operation with the social exclusion unit, as it consulted on its project to reduce the number of people sleeping rough, many of whom have substance misuse problems, to as near zero as possible.

In the Department of Health, too, we are taking forward a wide range of measures that reflect the importance which ministerial colleagues and I attach to alcohol misuse as a major public health issue. As the hon. Lady said, "Our Healthier Nation" identified four proposed priority areas: heart disease and stroke, accidents, cancer and mental health. Alcohol is recognised as a significant factor in all those priority areas, and action to reduce their impact, at local level supported by Government leadership, must inevitably involve reductions in the alcohol misuse that so often contributes to them.

I endorse the hon. Lady's comments about accidents. I was delighted to support the launch of the campaign by the Maxillo-Facial Surgeons to alert people to the risks of facial injury through alcohol misuse. I pay tribute to the work that that organisation has done to raise public awareness of the issue.

The Green Paper is adamant that we must not simply focus on disease; we must get to grips with the underlying causes of the diseases that will be represented in headline targets. We must also encourage local areas to identify their own priorities for action. Only they can know what the key issues are for them. We have to strike the right balance between a clear national framework and local action fitting in with local needs and priorities. That will enable us to get the public health strategy right and to engage a range of partnerships and alliances to translate promises into practical action. I believe that a number of local areas will want to set local targets for the reduction of alcohol misuse.

We are also establishing 11 health action zones—the Secretary of State announced them two weeks ago. They will comprise local partnerships between the health service, local councils, local businesses and voluntary organisations. The idea is to get rid of the bureaucratic boundaries that so often impede the effective delivery of health care and action to tackle health inequalities. In short, we want to tackle local problems by means of local partnerships in the health action zones. That is why we have provided £5.3 million for the coming year to promote joint working, with a promise of a further £30 million for the next financial year.

On the services side, we already have work in hand that seeks to respond to the repeated calls from the field for additional support to suppliers and commissioners of local alcohol services. We are attempting to do this in three ways: first, through the development and dissemination of alcohol commissioning guidance which we hope to publish this summer—thereby meeting a demand from local commissioners. Secondly, and associated with that, we shall publish a review of the effectiveness of treatment for alcohol problems which we hope will provide a further useful resource for commissioners. In other words, we want to show what works in practice and what has proved to be effective. Finally, the Substance Misuse Advisory Service, which became fully operational from October 1997, will mean that, for the first time, alcohol and drugs will be equally treated in terms of the advice on key matters available to workers in this area.

We are also developing policy on the difficult issue of dual diagnosis—a source of major concern to those working in the field. I refer to the concurrent existence of a substance misuse disorder and one or more psychiatric disorders. Such complex problems do not fit conveniently into the administrative boxes that we so often establish to tackle them. It is said that joined-up problems need joined-up solutions—that is what we are determined to achieve.

[Ms Tessa Jowell]

Money from the 1998-99 drug and alcohol specific grant will be available to fund demonstration projects on dual diagnosis. From them, we hope to develop in due course guidance for local authorities and health authorities on how best to tackle their joint responsibilities for this group of problem drinkers.

I can also reassure the hon. Lady: the Government's new drugs strategy, launched on Monday, confirms that alcohol will be dealt with under that strategy as appropriate—once again, looking for co-operative solutions to associated problems.

As "Our Healthier Nation" stressed, partnership is the way to make lasting progress. The healthy schools initiative and the forthcoming healthy workplaces initiative, both of which were outlined in the Green Paper, will help us to tackle alcohol misuse in the contexts of domestic violence and the workplace, and among children.

We see important progress being achieved through partnership with the alcohol industry. We intend to work with, not against, the industry. That is why I was delighted to join the Portman group in launching its new campaign supporting the Government's sensible drinking messages, and why last week I was delighted to support the industry's unit labelling initiative, which is complementary to the Government's approach on sensible drinking.

In the Green Paper, we intend to set out a framework that represents the cross-departmental approach to tackling alcohol misuse, and emphasises the importance of central Government and local partnerships working together to enable a coherent strategy to work. I hope that I have made it clear that the days of demarcation disputes—

Mr. Deputy Speaker (Mr. Michael Lord): Order. We must now move on to the next debate.

Lockerbie

1 pm

Mr. Tam Dalyell (Linlithgow): It is without a smidgen of a blush that I accept my luck in Madam Speaker's ballot for the 14th time and raise the matter of Lockerbie and Libyan sanctions.

The British relatives of the Lockerbie victims are not asking for money. They are asking for the truth. Having come to know them well over seven years, I believe that they will go on asking until the last breath in their own bodies. Were we in their position, my hon. Friend the Minister and I would do the same. Knowing my hon. Friend, I am sure that he would not walk away in the circumstances, had he lost a son or a daughter, a brother or a sister.

We are the prime movers, with the United States, of sanctions. Our support for sanctions in the United Nations not only hits British industry—Babcock is only one of a number of firms that would not have paid off employees if the Libyan engineering orders had continued—but has a corrosive effect on our relations with many Arab and African countries. The Government are aware of the personal interest of President Mandela.

The matter has gone on for 10 long years. It will be the 10th anniversary of Lockerbie on 21 December 1998. How long do we let it go on? Is it to be my lifetime? Is it to be the lifetime of my hon. Friend the Minister, who is a younger man than I am? It is like the 30 years war, from 1618 to 1648. By 1648, people had forgotten the original causes. Indeed, by 1628 the policies that had begun it were somewhat obscure. How long must the matter of Lockerbie go on, and how are the rather cruel sanctions to be brought to an end?

What was said in Cairo to the Prime Minister? On 7 April, the Prime Minister replied to my question whether he would discuss with each of the host countries during his forthcoming middle east visit the extent to which Lockerbie and the case of WPC Yvonne Fletcher underlie United Nations sanctions against Libya. The Prime Minister replied:

"Lockerbie is an issue of the greatest importance to this Government. During my visit to the Middle East I stressed the need for progress in implementing the relevant UN Security Council Resolutions."

What was said to him when he stressed that need? What did the Arabs say to him? My right hon. Friend continued:

"They relate to Lockerbie, not to the murder of WPC Fletcher. That tragic case, with Lockerbie, is a major obstacle in our bilateral relations with Libya."—[*Official Report*, 27 April 1998; Vol. 311, c. *17*.]

I have tabled the following question to the Home Secretary for 11 May:

"Pursuant to his oral Answers of 30th March, Official Report, columns 887-8, on WPC Fletcher, what discussion he has had with the Secretary of State for Foreign and Commonwealth Affairs on those matters which have made the investigation into the murder of WPC Yvonne Fletcher more complex than was originally expected".

That refers to a question at column 887 of 30 March, when the Home Secretary stated in reply to me:

"The current police investigation into the murder of Police Constable Yvonne Fletcher was established last year to inquire into the issues raised by the 'Dispatches' programme. The investigation, which has proved more complex than originally expected, involves extensive inquiries overseas and is continuing."—[*Official Report*, 30 March 1998; Vol. 309, c. 887.]

I saw Assistant Commissioner David Veness nine months ago. I have no doubt that Scotland Yard is doing its utmost. WPC Fletcher was one of its own, as Mr. Veness explained to me. When there is so much doubt, is it any basis for a continuing policy of sanctions? That is why I ask what the outcome was of the discussions between the Home Secretary and the Foreign Secretary.

Given my right hon. Friend the Foreign Secretary's comments at Mansion House last week, and given the simple fact that the only official inquiry so far into the Lockerbie bombing refused to allow evidence to be heard on the security background, will the Minister inform us when, if ever, the relatives may expect an impartial inquiry into the role and actions—or lack of them—by Government security services prior to, during and after the bombing? My hon. Friend the Minister worked closely with Neil Kinnock. Neil promised us that, and he was leader of the Labour party at the time.

Is the real problem the attitude of the Americans? It is high time that there was some kind of inquiry. People grow old. No inquiry would be complete without the participation of Oliver North of the Iran-Contra affair, his friend Buck Revell, the head of the FBI investigation into Lockerbie, and Vincent Cannistraro. Buck Revell's son was booked on the plane and did not travel. I believe that those Americans know much more than they have let on. After 10 years, key witnesses have a habit of being unable to give testimony, for various reasons. That is why an urgent public inquiry is needed.

On 20 March 1998, in the United Nations in New York, Sir John Weston made two statements in the debate on the Libyan sanctions, the first on behalf of the Government and the second on behalf of the European Union. Speaking on behalf of the Government, Sir John commented on the fairness of Scottish justice, and thereafter alluded to the Contempt of Court Act 1981. He seemed to be ignorant of the sheer size and volume of the media coverage in Scotland and of the fact that proceedings under the 1981 Act may be instigated only after the commencement of the trial. Why was not that point made?

In the same speech, Sir John went on to state that sanctions had not adversely affected Libyan financial, oil or commercial outputs or figures. In view of that and similar comments made by the US representative, do the Government still cling to their previous stance that sanctions are effective and are the only action liable to produce a response, after six years of failure?

Other countries do not respect sanctions. Only last week, Italian Trade Ministers were reported to have gone to Libya. I have not been able to check whether that is true, but I expect that our Government will know.

Given the recent travels of Dr. Jim Swire of the UK relatives group, accompanied by Professor Black, who had extensive meetings with the League of Arab States, the Organisation of African Unity, the Libyan leader and officials for the two accused, will the Government explain an almost total lack of willingness to communicate with the Libyan Government or to use some kind of communication to get out of the impasse?

I spoke last night to Robert Black, who is visiting Stellenbosch in South Africa. He said that the Libyan Government had stated previously that they would put

"no obstacles in the way of their nationals going to trial."

The Libyan Government now say that they "positively welcome" their nationals going to trial in a third country. They have promised to

"facilitate those arrangements and to do everything to achieve that end."

I received a copy of a letter written today by Dr. Swire to the Foreign Secretary—I have shown it to senior officials at the Foreign Office, and I apologise for the fact that I was not able to do so earlier. It states that present at the meetings were Mr. Abdul Ati Obeidi, Secretary at the Foreign Office, Libya; Mr. Zuwiy, Secretary of Justice, Libya; Mr. Orma Dorda, the Libyan permanent representative at the United Nations; and, crucially, Dr. Ibrahim Legwell, the lawyer representing the two Libyan suspects. The more important point is that they had an endorsing meeting with Colonel Gaddafi. Hitherto, it has been asked, "How do we know with what authority Libyan promises are made?" When the promise is made by Colonel Gaddafi himself, it is high time to accept Libya's assurances in good faith.

Given the Prime Minister's spokesman's assurances in the media that Lockerbie is a "very high priority" for the Government, will the Prime Minister inform the House when he might be able to see the Lockerbie relatives? I do not criticise the Prime Minister. I wrote to him when he became leader of the Labour party. I am one of the few hon. Members who remember Hugh Gaitskell, who died partly because everyone impinged on his time. Prime Ministers must be extremely selective about how they allocate their time. However, a promise has been given.

I refer also to the question that I asked on 21 April 1998 as to why the police inquiry had not interviewed Mr. Abolghasem Mesbahi, the Iranian defector. I asked also what approaches had been made to Gunter Rath, the state prosecutor in Frankfurt. As time is short, I refer hon. Members to the question and answer that appear in *Hansard* of 21 April 1998 at column 579.

On 20 March, Sir John Weston told the Lockerbie relatives that he was still operating on instructions from the previous Conservative Administration. When may Sir John expect some sort of briefing from this Government? One of the bereaved parents who went to New York, the Rev. John Mosey, reported that Sir John said that,

"in the absence of new instructions from the Government, he would continue to follow the line of the previous Administration."

Perhaps the Labour Government should move in a different direction. Will they at least talk to the Libyans? If we can talk to the extreme forces in Ireland, surely we can talk to Colonel Gaddafi.

Finally, I asked both Dr. Swire and Professor Black, "Do you think in your heart of hearts that the Libyans did it or had anything to do with it?" Both replied separately and said, "In our heart of hearts, no, the Libyans were not involved." They are not naive people. That is also my view—and I do not think that I am being naive, either.

1.14 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Derek Fatchett): My hon. Friend the Member for Linlithgow (Mr. Dalyell) said that this is the 14th time that he has raised this issue in the House. He provides us with a further opportunity to remember the 270 people who were killed at Lockerbie—259 on the plane and 11 on the ground—on that dreadful night

[Mr. Derek Fatchett]

in December. We must always remember them as the true victims of the Lockerbie disaster. We must not allow history to be subverted in such a way as to forget the suffering inflicted upon the relatives of those 270 and upon the small community in Scotland that bore the brunt of those dreadful events.

The Lockerbie bombing was an act of terrorism and of murder. As my hon. Friend has said, the relatives of Lockerbie victims are looking for only one thing: justice. We know from experience that the best way of achieving justice is through the courts and the legal process. We must charge and bring to trial those who are accused of committing that crime. The best way of achieving justice is to have a trial, which will allow the accused to plead their innocence in front of a court.

When Labour came to office, my noble Friend the Lord Advocate reviewed the evidence available and decided that there was a case to be heard. He took that decision not as a politician, but as an eminent and respected lawyer and a man of high personal integrity. He took that decision because he believed that it was the only appropriate course of action in the light of the facts available to him.

Unfortunately, we have not had the opportunity to present those facts in court. There have been several versions of the Lockerbie events, but the Crown Prosecution Service would like to bring to court an as yet unseen version. However, the Libyans refuse to hand over the two individuals who have been charged with these dreadful offences. We have asked many times for those individuals to be tried in court, where they would have the opportunity to argue their innocence. Unfortunately, the Libyans have not co-operated.

My hon. Friend said that this episode had gone on for many years—he is absolutely right. It has gone on for too long. However, let us not, yet again, twist the responsibility for that delay. The Lockerbie bombing was an act of terrorism and murder, and those responsible for it should be tried properly. The Government believe that the most appropriate place for that to happen is in a Scottish court under the Scottish legal system.

My hon. Friend suggested that the Government may be influenced and controlled by the opinion of the United States. I confirm, without a trace of embarrassment, that there is a synthesis between United States and British opinion—it could hardly be otherwise, as we both wish to see justice done. However, above and beyond that consideration, I make a strong commitment to the fairness, integrity and openness of the Scottish legal system. What sort of precedent do we establish if we say that those who are charged with, and who may be responsible for, terrorist acts may choose the country in which they are tried? We would be introducing the national lottery into the judicial system and telling the accused, "Find a country and the right judge and jury, and you can get away with acts of terrorism."

All politicians who believe in democratic process and due process have a responsibility to ensure that a trial takes place in the country in which the terrorist act was committed, according to appropriate legal rules and systems. Scotland has that. As my hon. Friend knows, the Government have taken the initiative of highlighting the openness of the Scottish legal system internationally.

When we came to government, we invited the United Nations to examine the Scottish legal system. The legal experts nominated by the United Nations Secretary-General visited Scotland on 3 and 6 December 1997. Their report, which has been circulated as an official document to all Security Council members, concluded that the accused would receive a fair trial in Scotland. Let us not have any sense of embarrassment about that. The accused would receive a fair trial in Scotland, and it is the Government's view that that is the preferable place for the trial.

As my hon. Friend knows, we made the offer to the Arab League that it could send observers to examine the Scottish legal system. When I first went to Egypt as a Minister in the spring of last year, I met representatives of the Arab League in Cairo. The argument advanced to me then was that there was concern that the Scottish legal system would not provide a fair trial. It was said that that was why it was difficult for the Libyans to release the two accused. As I have said, an invitation was extended to the Arab League. Its representatives could have come to examine the notion and practice of a Scottish trial. That invitation was not accepted.

The Arab League has conclusive evidence from the United Nations that its legal experts believe that we have in Scotland, as we all know, a fair, open and just legal system. If the Arab League was determined in June 1997 that all that it wanted was reassurance about confidence in the Scottish legal system, it now has that reassurance. I say to the Arab League that its interest in the Lockerbie issue would be best explored and developed if it now took the opportunity to talk to the Libyan Government and to ask them to release to Scotland the two individuals who have been charged in connection with such terrible events.

My hon. Friend offered two possible alternatives to a free and fair trial in Scotland. First, he talked about the possibility of a third-country trial. The weakness of that alternative is that we have no guarantee that Libya will deliver the two accused. Nor do we have then any control over a precedent that allows a Government involved in acts of terrorism to decide where their agents will be tried in future. All right hon. and hon. Members will be fully aware that there are dangers in that precedent.

My hon. Friend referred to the possibility of a public inquiry on Lockerbie. He should be cautious on that, for he will prevent any possibility of Lockerbie families receiving the justice that they consider to be important. Any public inquiry established under the statutory provisions and powers that reside in the House will not have the authority to come to a judgment on criminal culpability. However, it will be a public inquiry that will make all the evidence available in public. In so doing, it will prevent any possibility of a fair and unprejudiced trial in the legal system at a future date.

A public inquiry would have the perverse effect—the opposite effect to that which my hon. Friend seeks—of ensuring that there was no possibility of bringing the two accused to trial in Scotland. For those reasons, we reject the notion that there should be a public inquiry.

My hon. Friend said that we should talk to the Libyans. We do talk to the Libyans. I shall give him some illustrations of what we have done to talk to them. We talk through our joint missions at the United Nations in New York. We talk to the Libyan interest section in London. My right hon. Friend the Foreign Secretary has

written to the Prime Minister equivalent in Libya and to the Libyan Foreign Minister. They have no doubts about our hopes and expectations. We have been in touch with them. We have offered the Libyans an opportunity to understand fully the position that the Government come from.

Mr. Dalyell: Is there an offer actually to meet at, say, Minister of State level, Libyan Ministers?

Mr. Fatchett: I am simply putting on the record the fact that we have had contact already.

My hon. Friend referred to the tragic case of Woman Police Constable Fletcher. I emphasise to him that the Metropolitan police are reviewing material evidence provided by the makers of a television documentary. They remain of the view that the shot that killed WPC Fletcher was fired from the Libyan people's bureau. Let us make no mistake about that. The Metropolitan police, subject to the evidence that relates to their review, still have one firm conclusion in mind.

My hon. Friend talked about the sanctions regime. There is often a danger in relating some of our concerns in general about sanctions to the position vis-a-vis Libya. The sanctions regime with Libya is much more restrictive than that which applies to Iraq, for example. Also, my hon. Friend should not relate the WPC Fletcher case to the position on sanctions. The fact is that the WPC Fletcher case is an important and damaging bilateral issue between the United Kingdom and Libya, but not one that is related to sanctions. The sanctions relate specifically to the wish of the international community for Libya to make available for trial the two people who have been accused in connection with the Lockerbie events.

My hon. Friend referred to the possibility of opening up greater trade with Libya. He then asked about sanctions in that context. I shall give some facts that may be useful in that regard. The Libyan Government enjoy extensive reserves, and there has been growth in Britain's exports to Libya as well as in Britain's imports from Libya. On trade, the Government have taken the position that was taken by the previous Government, that we shall not discourage—we shall certainly not encourage—trade with Libya. There is no question of the present sanctions regime being imposed on oil. Oil revenues go to the Libyan Government. Trade is there.

My hon. Friend, having said that we should open up trade to a greater extent, argued that, if there is to be more trade, it will be shown that sanctions are not working. I think that sanctions have worked with Libya. My hon. Friend has a long and proud record of arguing for sanctions in certain circumstances. He was one of the first to argue that there should be sanctions against apartheid, and he was right to do so. My hon. Friend has not a principled but a practical objection to sanctions.

In that context, I believe that the sanctions against Libya have worked. They are not punitive on trade, but they have constrained the Libyan Government. We can take some satisfaction and confidence from the fact that sanctions have worked in such a way as to ensure that Libya's involvement in terrorism has been reduced over recent years. That is an important international objective that we seek to achieve.

My hon. Friend is right to continue to maintain an interest in the issue. He is right to do so because of the nature of the act and the deaths and suffering that were involved. My right hon. Friends the Prime Minister and the Foreign Secretary were right to say that the Government share concern about Lockerbie, as one of our major objectives and concerns. We share that concern, because we wish to see justice for the families of those who were killed and who suffered at Lockerbie. We want that justice. We believe that the best and only way for it to be achieved is by the Libyan Government freeing the two accused and releasing them to the United Kingdom, so that they can be tried in Scotland.

We have absolute faith in the Scottish legal system; we believe that it will offer a fair trial. We do not accept that we can allow a terrorist or a terrorist Government to decide the location for a trial. We have faith in the Scottish legal system, and we believe that that is the right way in which to proceed.

Mr. Dalyell: Could my hon. Friend factually explain what the Arabs in Cairo said to the Prime Minister on that issue?

Mr. Fatchett: My hon. Friend will know that there is no published text of meetings between Presidents and Prime Ministers, but I can tell him that the Lockerbie issue was discussed and that President Mubarak shared our concern that justice should be carried through and that those who are culpable should be brought to trial.

As I was saying, we believe that the best way to do that is by a trial in Scotland, and this Government will continue to work along those lines, with the relatives of those who were killed.

Palestinian Refugees

1.30 pm

Mr. David Atkinson (Bournemouth, East): Next month, Israel celebrates its 50th anniversary. It is being celebrated in Israel tomorrow because of the Jewish calendar. On 15 May 1948, the last British troops left Palestine, and Israel was proclaimed an independent state. Later that night, armies from the Arab states of Egypt, Syria, Jordan, Iraq and Libya, with a contingent from Saudi Arabia, invaded the new state. The war lasted eight months.

During that war, hundreds of thousands of Arabs left their villages in Israel, and many more were encouraged to leave or were expelled. The United Nations estimated that a total of 726,000 people sought refuge in neighbouring Arab countries. Displaced and destitute, they were sheltered in tented camps. In addition, some 585,000 Jews emigrated to Israel from Arab states between 1948 and 1972, similarly displaced and destitute. They were swiftly transferred from transit camps to absorption centres, and given fully integrated citizenship in a Jewish homeland.

The Palestinian refugees and their descendants have had no such swift return to their homeland. In December 1948, the UN General Assembly passed resolution 194, article 11 of which refers to a return to their homes at the earliest practical date, and compensation to be paid for the property of those who chose not to return. For them, the following year the UN General Assembly passed resolution 302 establishing the United Nations Relief and Works Agency for Palestinian Refugees in the Near East to provide emergency assistance, a mandate that has been renewed repeatedly ever since. The 17th mandate for UNRWA runs to the end of June next year.

A total of 3.4 million displaced Palestinians are now registered with UNRWA. The majority have lived in camps, of which there are now 59. Their tents have been replaced by breeze block walls and corrugated roofs, and they have been homeless and stateless for nearly 50 years. Their existence has done more than anything else to perpetuate conflict in the region, with political and military movements for the recovery of Palestinian rights leading to the establishment of the Palestine Liberation Organisation.

Over the years, the refugees, in exile and in the camps, have been the prime source of terrorism against Israel and the international community, and more recently of the intafada uprising in the occupied territories of the West Bank and Gaza. It must be clear to all, including the Israeli Government, that any middle east peace settlement that is unacceptable to the great majority of the Palestinian refugees will not endure.

For the past 10 years, I have been a rapporteur on the Palestinian refugee issue for the Parliamentary Assembly of the Council of Europe. I made fact-finding visits to the region in March 1988 and again in November 1990, which resulted in recommendations that were adopted by the Assembly and on which I reported to this House in Adjournment debates on 29 July 1988 and 28 March 1991.

As the House knows, the Oslo accords of 1993 provided for discussions between Israel and the Palestinians on the refugee issue once the interim period of Palestinian self-government in Israel had begun, with a timetable for "final status" issues to be agreed by May 1999. Those negotiations have stalled since the Israeli elections of 1996. Following the visit by the American Secretary of State to the region last September, there have been hopes that the negotiations will resume. Those hopes have been boosted by the Prime Minister's recent visit and the summit that he has arranged in London next week.

I made a third visit on behalf of the Council of Europe at the same time as that of Madeleine Albright. The principal aim of my visit to Lebanon, Syria, Jordan, Israel and the Palestinian Authority was to establish the view of the refugees as well as that of the host countries on how they thought their future could be resolved.

Unlike the previous occasions, UNRWA could not arrange my programme, so I wrote to the Minister two weeks before my departure to seek the help of our embassies in the countries concerned. I have since written to him to thank him for the meetings and visits that transpired despite such short notice. I hope that he has passed on my appreciation to those concerned in Beirut, Damascus, Amman, Jerusalem and Tel Aviv.

I take this opportunity to record my personal thanks to them, because, without their assistance, the visit would not have achieved its aims, the report that transpired and its recommendations, which the Council of Europe Assembly adopted by an overwhelming majority in Strasbourg last Thursday. Our country is fortunate in being so well served by such resourceful and effective representatives.

From the large number of meetings I had with refugee leaders, camp committees, individual refugees, Ministers, UNRWA officials, members of the Knesset and of the Palestinian Council, and Crown Prince Hassan of Jordan, I was able to come to some clear, although obvious, conclusions. The first was that, after nearly 50 years, it will be politically and practically difficult—many will say, impossible—to implement UN resolution 194 proposing the right of return for all 4 million refugees to their original homes in Israel. I accept that that is unquestionably what the exiled Palestinians want; I also accept that Israel is equally adamant in refusing that demand.

If we are to make progress in ending the camps and offering the refugees permanent accommodation for the first time, not only for humanitarian reasons but as an essential step towards reducing a major source of tension in the middle east, a Palestinian state must be established.

Our Israeli observer colleagues in the Council of Europe have urged me to use the word "entity" in place of th word, "state". I have explained to them that an entity will not be sufficient to encourage the refugees to end their refugee status. Only a viable self-governing or sovereign state will establish their country—their "homeland"—and encourage them to give up their right to return to Israel. Only Israel can allow that. If it really wants a secure future in co-operation with its neighbours, there is no alternative but for it to assist in the establishment of a Palestinian state.

I worked on a kibbutz in northern Galilee within the range of Syrian guns on the Golan, and as a member of the Conservative Friends of Israel, and I am fully committed to a Jewish homeland within secure borders.

In February, Israel's last Prime Minister, joint Nobel peace prize winner Shimon Peres, told a Euro-Mediterranean round table in Strasbourg:

"I support the creation of a Palestinian state. In order for Israel to remain Jewish, we do need a Palestinian state, and it is in our interest to help them to achieve it."

It will not be possible for such a Palestinian state, composed of much of the West Bank and Gaza, to absorb all 4 million refugees. During the course of our meetings, a number of other options became apparent, and realistic to propose to the refugees.

In addition to resettlement in a new Palestinian state, those options are: to remain in the host country where many have made lives for themselves and will be ready to accept compensation for not returning; to resettle in other countries both within and outside the region, in response to their offers of quotas; and to return to the Gulf states where applicable. There is a fifth option: for some to return to Israel. Hon. Members will recall that Israel has in the past agreed to the return of 100,000 refugees, and today accepts a quota and provides for the reunification of families.

In the debate in Strasbourg last week, I did not speak of the possible numbers that those options would involve. That is to be determined in the negotiations in which UNRWA and other agencies will have an important role to play. But I urged the funding, at a cost of $7 million, of a computerised database of all refugees registered with UNRWA following the successful completion of a pilot study for UNRWA and the Palestinian authority. Such a database would undoubtedly facilitate their resettlement and claim for compensation.

Until the issue of settlement has been resolved, it is essential that the services of UNRWA be fully maintained and funded, up to and including the period of resettlement to ensure their seamless transfer to the Governments concerned.

I have urged the Council of Europe to accept that the undoubtedly massive cost of resettlement, including compensation, promised under UN resolution 194, should be anticipated and budgeted for by the international community as soon as possible.

I have proposed the establishment by the United Nations of a new fund—the Palestine refugee and displaced persons final status fund. I proposed that it urges member states to prepare their budgets to donate to the fund, and that it approaches in particular those countries that are not already generously donating to UNRWA and the Palestinian authority, as this country and many Council of Europe member states willingly do.

From the experience of my visit, I have urged Israel to allow the completion of the Canada Camp-Talal Sultan relocation project, to which it agreed, with Egypt, nine years ago. I have urged those involved in the new Gaza hospital, which is now ready, to agree on its future financing to allow it to open its doors to patients, which it cannot do at present. I have urged Lebanon, now that it is returning to stability, to emulate other host countries in providing basic services to its Palestinian refugees, whose situation is the most deprived.

It must be clear to all that my report, albeit my third on the issue, is merely the work of a layman based on observations and conclusions from a nine-day visit. More political and academic studies should be commissioned into a just resolution of the Palestine refugee problem.

I congratulate the Minister on the Warwick university conference on this issue. That was organised under the UK presidency of the European Union, which he and I attended last month.

Let us not underestimate the undoubted progress that has been achieved since that historic handshake on the White House lawn in 1993. Who then would have predicted the establishment of a Palestinian authority, and the return of Arafat to Gaza? However, it must be clear to the whole world, including Israel, that, after half a century, only the most sadistic want the Palestine refugee issue to remain unresolved.

In debating my report last week, the Council of Europe became the first international organisation to discuss how the issue should be resolved, and I hope that, by approving my proposals, it will contribute to an end to the stalemate, and the beginning of the end of the longest and largest refugee problem to have scarred the 20th century.

1.43 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Derek Fatchett): I am delighted to reply to the speech by the hon. Member for Bournemouth, East (Mr. Atkinson). This is the third Adjournment debate to which I have replied today, and in some respects the sweetest, because it will be the last. Perhaps I have achieved a ministerial first by replying to three debates in one day. I shall look that up in the appropriate journal of record.

I thank the hon. Member for his remarks, including those about my involvement in the Warwick seminar, and his visit to the region. I thank him also on behalf of the staff of the embassies, to whom I have conveyed his good wishes and thanks, which they appreciate. I have no doubt that they will read his words in *Hansard*, which will be a source of satisfaction to them. They will be grateful that he has taken this opportunity to thank them for their work.

I congratulate the hon. Gentleman on his work as the rapporteur on this subject for the Parliamentary Assembly of the Council of Europe. He showed in his speech the extent to which he takes those responsibilities seriously, and discharges them assiduously and effectively. His contribution was serious, and he is clearly not seeking cheap solutions or using cheap slogans; he is seeking methods of helping people in difficult circumstances. I congratulate him on all the work that he has done in that respect.

The hon. Gentleman's words had even greater weight when he talked about his membership of the Conservative Friends of Israel. The great difficulty in many debates on the middle east is polarisation: someone who is a friend of the Palestinians becomes, by definition, an enemy of the Israelis, and vice versa.

I share with the hon. Gentleman profound personal friendships with Israelis and Palestinians. Nothing would give me greater pleasure than a world in which those people, to whom I can relate in friendship, could relate to each other in long-standing friendship. If such friendship were achieved, Israelis and Palestinians, working together, would make an effective contribution to their region, and could change for the better the shape of its politics and economy. The force of the hon. Gentleman's comments was very strong, and the intention and sympathies behind them were made even stronger by his support for the security and existence of the state of Israel.

[Mr. Derek Fatchett]

The hon. Gentleman referred to the 3.4 million refugees. For those who go to the region for the first time, one of the most meaningful visits is to one of the refugee camps in south Lebanon, Gaza or the west bank, where one sees the conditions in which people there have to try to survive. That is a moving experience.

I was in south Lebanon in April 1996 with my hon. Friend the Member for Morley and Rothwell (Mr. Gunnell). We saw tens—perhaps hundreds—of thousands of people living in abject poverty, with no hope, no expectations and nothing to live for except a daily survival that offers so very little. The experience was even more moving in the context of the war being fought alongside the refugee camps in which a further layer of suffering was added to the people's already miserable lives without their having any control over it.

Those refugees remind us all that we have a substantial obligation to look for ways in which we can assist the process and the prospects of peace. I thought of that when I visited the largest refugee camp in Gaza two or three years ago. I have not had the opportunity to visit any of the camps since I became a Minister. I considered the number of young children whose lives will be no different from those of their parents. Two or three generations will have lived in refugee camps unless we take the opportunities provided in the political process.

I feel that, whatever side we are meeting—Israelis, Palestinians or those from other Arab countries—when we get down to the detail of who said or did what, we always avoid the responsibility of reaching the big statesmanlike decisions, which say that peace is the primary objective. Above all else, the middle east needs active diplomacy and statesmanship that look not to today or, even worse, to yesterday, but to tomorrow's prospects for the region and the people.

Real political leadership is not about trying to score points in immediate political debates, however tempting that is from time to time, and however much hon. Members succumb to that temptation. Real political leadership lies in recognising the long-term future of those whom one is in politics to represent. Those in the middle east have a responsibility to take such a longer-term perspective, and above all to recognise that those who are disfranchised and whose voice is not heard at the negotiating table are probably making the most powerful cry for help. The refugees to whom the hon. Member referred are their highest responsibility.

During our presidency of the European Union, we have said several times that we wish to give a push to the middle east peace process. We need to get progress back into the process.

I vividly remember the meeting of my right hon. Friend the Prime Minister with Arab ambassadors immediately after the Iraqi crisis in early February. They talked almost exclusively about the middle east peace process. My right hon. Friend said that the situation in Northern Ireland always offered, logically, three possible options: to stand still, to go back or to go forward. He made the point that, in Northern Ireland, to stand still is to go back. If that is true of Northern Ireland, it is perhaps even more true of the middle east. To take a picture of where we are today and to try to freeze the status quo, or to set it in concrete, is an approach that is simply not going to work.

Standing still means going backward, because it does not meet the requirements of the refugees to whom the hon. Gentleman referred. It does not meet the requirements of the people of Israel for security, and a long-standing faith that their state will survive with enough security for them to bring up their families and enjoy a life that all hon. Members would consider to be normal. The pressure on us to make progress is acute and desperate, and we should all recognise it.

We have tried to take our responsibility seriously, and to move the process forward. The House will know of the position that we have taken during our presidency, and the emphasis that we have placed on further redeployments. Land for peace is still a crucial principle of the Oslo accords, and the crucial means through which we shall secure lasting peace in the middle east.

As well as addressing those issues, we have addressed others that are crucial to restoring confidence, such as ensuring that neither party pre-empts the final status negotiations by taking decisions that will favour any one party. That is why we, on behalf of the European Union, have condemned the development of settlements on the west bank. We shall continue to take such positions.

We shall continue to wish to return hope to the Palestinians by recognising that economic measures are important to restoring and developing prosperity. There will be little dividend from a peace process that has so far seen the average living standard of the ordinary Palestinian decline by perhaps 40 or even 50 per cent. Peace and economic prosperity do not inevitably come together, but we all know that, without economic prosperity, the chances of peace are much more remote. The Prime Minister has rightly emphasised the need to develop economic interim measures to ensure that we make progress on the Gaza airport, the industrial estate, safe passage and the Gaza port, all of which would help to improve the living standards of Palestinians.

Next week, the Palestinian leader and the Israeli Prime Minister will come to London with the American Secretary of State, Madeleine Albright. Their talks will be crucial to the peace process: they offer an opportunity to make progress. I desperately hope that all parties to those talks will take that opportunity.

Let me return to my earlier comments. I hope that those approaching the talks will do so with a vision of the future that puts the region and their own people above immediate political considerations. If we can create that atmosphere and achieve some progress in the London talks, that in itself will create new hope and expectation in the middle east. We cannot simply allow the region to continue in frustration and without hope. That has been our approach, and I am delighted that it has been supported by all parties in the House. Everyone realises the need to make progress in the middle east peace process.

The hon. Member for Bournemouth, East rightly saw that that process, if it is successful, will provide us with the final status negotiations and, we hope, a final resolution to deep-seated problems. That depends on political will and political judgment, but the hon. Gentleman was right to say that the status and condition of the Palestinian refugees must be an important issue. He correctly set out the parameters—the difficulties and the hopes—within which that discussion will take place. We must be frank about both, and I praise the hon. Gentleman's frankness in raising the difficulties and constraints that exist.

If the political will is there, we can start to address those problems. If the political will is there, we all know that the Palestinian refugee issue is one of the final-status issues that, although it will be difficult to resolve, must be resolved. That is why, as the hon. Gentleman said, as part of our EU presidency, we organised a seminar at Warwick university. I think that it was successful, not because it sloganised or because people wished to score points off each other, but because it brought together people with different perspectives and experiences who wanted to make practical progress, while still recognising the hurdles and constraints.

We shall continue to support such initiatives, and to do all we can to move the peace process forward, so that we have an opportunity to put into practice some of the excellent ideas and practical proposals that the hon. Gentleman outlined.

When one sees the refugee camps in the middle east, one recognises the extent of the political problems, and the extent to which people have suffered for those problems. There is one other sad, but obvious, fact. There can be no political resolution that provides security, peace and justice without taking account of the needs of the Palestinian refugees. Nor can there be lasting peace and security in a region that has the potential for riches and the potential to grow and make a significant contribution to the world while that region still has some of the world's most underprivileged people living alongside some of the world's most affluent people. We must tackle this issue with a sense of social and political justice, which would lead to progress in the peace process and security for everyone.

I congratulate the hon. Member for Bournemouth, East on raising the issue, and look forward to working with him further. I hope that we may some day find a resolution to a difficult and intractable problem.

It being before Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Sitting suspended, pursuant to Standing Order No. 10 (Wednesday sittings), till half-past Two o'clock.

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

Heavily Indebted Poor Countries Initiative

2. **Mr. John Heppell** (Nottingham, East): If she will make a statement on progress with implementation of the heavily indebted poor countries initiative. [39059]

The Secretary of State for International Development (Clare Short): So far, six countries have qualified for debt relief worth about $5.7 billion under the heavily indebted poor countries initiative. Uganda received relief worth about $350 million earlier this month. Bolivia and Guyana are expected to follow later this year; and Burkina Faso, Cote d'Ivoire and most recently Mozambique qualified for relief after a further period of sound policy. The Government will continue to press for full and speedy implementation of the initiative and we are optimistic that all eligible countries will be on track for debt relief by 2000—the target that was set out by the Chancellor of the Exchequer in his Mauritius mandate.

Mr. Heppell: I congratulate my right hon. Friend on her energy and obvious hard work, and I congratulate her and the Chancellor of the Exchequer on their commitment to the heavily indebted poor countries initiative. What else can be done to bring other richer nations on board to implement the initiative more speedily?

Clare Short: We are making considerable progress. Shortly after the general election, at the Commonwealth finance leaders meeting in Mauritius, my right hon. Friend the Chancellor declared that the aim of the Mauritius mandate was that three quarters of eligible highly indebted countries should be on track by 2000. At the subsequent International Monetary Fund and World bank meeting in Hong Kong, we could not get agreement. We have just had the spring meetings in Washington, and there is widespread agreement that the target will be reached. We have achieved more momentum but we should not be complacent; there is growing international support and commitment to pushing the initiative forward.

Dr. Jenny Tonge (Richmond Park): Does the Secretary of State think that the HIPC initiative offers sufficient relief to countries such as Rwanda, which is struggling to recover from genocide? Does she agree that, in view of Rwanda's unique position, the HIPC initiative should be moved much more swiftly and freely to give that country relief immediately?

Clare Short: The hon. Lady is right. The 37 countries that are farthest from the internationally agreed poverty eradication target are either in conflict or have recently emerged from it. Rwanda is one of those countries and, of course, it is one of the world's poorest countries and is struggling to recover from terrible genocide, which is partly the fault of the international community's failure to intervene to prevent it.

Rwanda would not qualify under the strict terms of the HIPC initiative, because it has recently come out of conflict and therefore does not have the necessary track record of responsible economic management. The Chancellor and I are, as we have said publicly, very keen to talk with others about making the system more flexible so that countries such as Rwanda, whose Governments are committed to sensible economic policies, can benefit.

Mr. Andrew Reed (Loughborough): I welcome the work that has been done in the HIPC initiative so far, but will my right hon. Friend explain how we can speed up the process? I am thinking in particular of Mozambique—33 per cent. of that country's income is repayable as debt, whereas only 3.3 per cent. is spent on education, and only 8 per cent. is spent on health. It is obvious that, if we relieve Mozambique of that debt, it can prosper. I understand that there have been difficulties in the Paris club, but what further steps can she take to speed up the process for Mozambique?

Clare Short: My hon. Friend is right. Mozambique is among the poorest countries of the world; it has only recently emerged from a terrible civil war, which was a consequence of the apartheid regime in South Africa before it, happily, fell. Mozambique, too, has a responsible Government, who are trying to do their best in the most difficult circumstances conceivable.

We have had some success on Mozambique recently. My hon. Friend rightly referred to the fact that the Paris club could not agree that more than 80 per cent. of export credit debts should be written off, leaving Mozambique with a debt relief funding gap of $100 million. The British Government put forward $10 million and successfully challenged others to meet us on that—other donor countries, the International Monetary Fund and the World bank found the remaining funds. Mozambique now has a programme and will receive debt relief by, I think, 2001. In the meantime, we can help it with its debt payments, as we have this year.

Sir Alastair Goodlad (Eddisbury): The Opposition agree with the Secretary of State on the importance of the heavily indebted poor countries initiative. Does she accept that good government is an essential factor in determining which states can succeed in tackling poverty? Will her Department continue to attach strict good government conditions to the writing off of debt? Will she say with which countries that is currently a problem?

Clare Short: The right hon. Gentleman is right. Although the east Asian countries had the fastest economic growth, and therefore probably the fastest poverty eradication in human history, a major lesson of the crisis there is that, without proper, transparent government and regulations: not all such economic growth is sustainable. Good governance is a crucial component of the economic policies that benefit the poor.

On the HIPC initiative—which Mr. Camdessus described as an enormously precious baby of the international community with a terrible name—the good governance qualification is part of the good economic track record qualification. Governments must have a good track record to qualify for their first stage of debt relief, and their record must continue to be good. The test is based on good economic performance, which is not the

whole of good governance, although it is a necessary component. I assure the right hon. Gentleman that the achievement of good governance that can sustain poverty eradication is an essential component of all my Department's work.

Russian Resettlement Project

3. **Mr. Lindsay Hoyle** (Chorley): If she will make a statement on her Department's involvement in the Russian resettlement project for retraining unemployed former Soviet army officers in Russia. [39060]

The Parliamentary Under-Secretary of State for International Development (Mr. George Foulkes): The Department for International Development has no involvement in the Russian resettlement project. The Government have spent £3.6 million since 1991 on the retraining of Russian military officers, but that is primarily through the Ministry of Defence. We also contribute to the cost of retraining through the European Community's TACIS programme. The Department provides support to help the Russian transition through the know-how fund.

Mr. Hoyle: That answer was comprehensive, but we know that £496,000 from the know-how fund has been channelled into the retraining of Russian officers. Would not that money be better spent on retraining warlords and on ending poverty in third-world countries?

Mr. Foulkes: The two projects that used money from the know-how fund to resettle and retrain former officers in Russia ended in October 1994 and March 1997 respectively. Effective demobilisation and restructuring of armed forces is vital to development. In Sierra Leone, for example, the coup—and the consequent poverty and tragedy—would have been averted if such a programme had been implemented.

Mr. John Wilkinson (Ruislip-Northwood): May I point out that British Government assistance for the resettlement and retraining of former Soviet officers is at least as important in the Baltic states of Estonia and Latvia as it is in the Russian Federation? Will the Minister assure us that if his Department, on behalf of the Government, examine the matter in future, it will give sympathetic consideration to the resettlement and training of former Soviet officers in the Baltic states?

Mr. Foulkes: It may be more appropriate for that to be done under the PHARE programme, but we would certainly consider any sensible proposal that fell within the know-how fund's terms of reference.

United Nations Development Programme

4. **Mr. Andrew Robathan** (Blaby): What assessment she has made of the total cost to the United Kingdom of the United Nations development programme. [39061]

The Secretary of State for International Development (Clare Short): The UK core contribution to UNDP in 1998 is £30 million. Additional funding may be provided for a range of specific UNDP project activities. As the hon. Gentleman will know, UNDP has a key role to play in promoting sustainable development and poverty eradication and in pulling the whole UN effort together in individual countries. The Government strongly back Kofi Annan's programme to increase the effectiveness of the UN system and are pleased that UNDP is working to implement those reforms. That is why we have increased our contribution to UNDP this year.

Mr. Robathan: I am grateful to the right hon. Lady for that response. She knows that many of us are concerned about what seems to be the bureaucratic and expensive structure of the UN and UNDP. She knows of the high salaries of international civil servants, which do not always seem to promote efficient and effective UN action. Will she ensure that the UK is at the forefront of moves—which she has mentioned—to reform the UN structure so that we get a much more effective organisation? Does she recall telling the International Development Committee that the UN costs less than the New York fire brigade? Will she now acknowledge that the UN spends $3 billion a year, which is about three times the cost of that fire brigade? We hope that the UN will be many, many times more effective?

Clare Short: No. I shall check the figure; I have certainly read it repeatedly. The political right has a long-standing record—I am not accusing the hon. Gentleman of being part of it—of trying to knock, damage and undermine the UN, which is wrong and a regrettable tradition in United States politics, as the hon. Gentleman will know. The UN's expenses are often wildly exaggerated as part of that debate. That is unfortunate because, given the state of globalisation, the whole world community needs a much stronger UN; but I strongly agree that the UN system needs reform and to be more effective.

As we have made clear, we are not interested in savings from the UN; we think that any savings should go back into promoting and strengthening its capacity and development. Kofi Annan is leading a powerful reform programme that is having serious effect. We are increasing our contributions to those agencies and parts of the system that are going with the reform programme; UNDP is a leading agency in that.

Dr. Norman A. Godman (Greenock and Inverclyde): Under both Tory and Labour Administrations, the UK has always paid its UN dues promptly. Does my right hon. Friend agree that matters would be much improved, particularly in terms of reform and the funding of development programmes, if countries that are in arrears with their subscriptions were compelled to pay up? The chief transgressor is the United States of America. That is surely a disgraceful state of affairs.

Clare Short: I agree with my hon. Friend; all countries that are represented in the UN should pay their dues, just as we should all pay our dues to any organisation in which we seek to be represented. As he will know, President Clinton has undertaken to pay off the United States' arrears. It is deeply regrettable that the consequential legislation, which has just passed through Congress, had some ridiculous attachments that prevent the United States from supporting reproductive health care programmes throughout the world. The President has therefore found

it necessary to veto the legislation. That is deeply regrettable. I agree with President Clinton that it is entirely desirable that the United States should pay its dues. It is regrettable that some elements in Congress and the Senate do not agree with that.

Mr. John D. Taylor (Strangford): As the United Nations development programme assists African, Caribbean and Pacific countries, which already receive support from the European development programme, is there not a danger of duplication by those two separate agencies? Has not the time arrived when the United Kingdom should consider concentrating solely upon the United Nations development programme?

Clare Short: The right hon. Gentleman is absolutely right to say that the fractured nature of development assistance is a serious problem. There are so many bilateral programmes and international agencies that many poor countries have thousands of development projects and must negotiate with and account to hundreds of countries—thereby fracturing their development effort, rather than uniting it in promoting sustainable development.

The answer is not so much to try to abolish agencies or to work with only one agency as to pull together the international effort. We are therefore strongly backing the international poverty eradication strategy, which sets targets for each country and asks each country to formulate its own programme to meet its targets. Under the strategy, donors can work in collaboration with a country's Government, thereby pulling together and enabling measurement of real progress in each country.

Bangladesh

5. **Mr. Andrew F. Bennett** (Denton and Reddish): If she will make a statement on help given to Bangladesh to foster democracy. [39062]

The Parliamentary Under-Secretary of State for International Development (Mr. George Foulkes): We are supporting improvements in the effectiveness of governance in Bangladesh and supported independent monitoring of national and local elections. As my hon. Friend will know after his successful visit last year to Bangladesh, we are also working to strengthen parliamentary institutions. We are currently looking for ways of providing further help, especially in supporting the democratic rights of the poor.

Mr. Bennett: I thank my hon. Friend for that reply. Given the very difficult physical and climatic problems facing Bangladesh, does my hon. Friend accept that non-governmental agencies in Bangladesh are doing an excellent job? However, must not that work be matched by local, democratically elected politicians making the parliamentary system work, so that they can encourage both investment and aid to help Bangladesh overcome its horrendous problems?

Mr. Foulkes: I agree with everything my hon. Friend said. Save the Children Fund is one of the non-governmental organisations that are working very effectively in Bangladesh. It is working on civil rights advocacy and primary health, it is working with vulnerable children and it is helping poorer communities to cope with floods. Hon. Members might like to know that the director of Save the Children Fund has written to the Secretary of State to dissociate his organisation from remarks made by Conservative Members—including one Opposition Front Bencher—purporting to represent the fund's views. Save the Children Fund welcomes the White Paper and its aims, and I hope that Conservative Members will not only retract, but apologise for, their remarks.

Mr. Andrew Rowe (Faversham and Mid-Kent): Does the Minister agree that, among its many rather impressive achievements, Bangladesh's creation of its own, native-born non-governmental organisations has been very impressive? Does he agree also that development of NGOs within a country is one of the best ways of strengthening democracy at every level?

Mr. Foulkes: I am happy to agree with all the hon. Gentleman's comments. The Grameen bank, founded by Professor Younis, is one of the most notable and successful NGOs, lending small amounts of money to people, particularly women, to start businesses. Its example has been followed around the world by many countries.

Democracy-building Projects

6. **Mr. Oliver Letwin** (West Dorset): If she will make a statement on the democracy-building projects her Department has sponsored. [39064]

The Parliamentary Under-Secretary of State for International Development (Mr. George Foulkes): It is clear that good and transparent governance is essential to achieving economic growth, which benefits poor people, and to achieving international poverty eradication targets. Since last May, we have committed more than £70 million in efforts to promote good governance.

Mr. Letwin: I am grateful to the Minister for that reply. Will he tell the House his views and those of the Secretary of State on democracy and free speech in China?

Mr. Foulkes: We are of course in favour of democracy and free speech—in the Conservative party, in the Labour party and in all countries with which we have partnerships. When we have the opportunity, we clearly state to our interlocutors in China the importance of respect for human rights and free speech.

Fiona Mactaggart (Slough): Is the Department doing anything about building democracy in Nigeria, where there is widespread abuse of human rights and lack of democracy, and General Abacha is running riot?

Mr. Foulkes: We have shown our solidarity with the oppressed people of Nigeria by working through local civilian organisations, non-governmental organisations and community-based groups—and not through the national Government. An election in which there is only one candidate is neither free nor fair: it is a farce.

EU Presidency

7. **Ms Gisela Stuart** (Birmingham, Edgbaston): What the priorities of her Department are for European co-operation on international development matters during the United Kingdom presidency of the European Union; and if she will make a statement. [39065]

The Secretary of State for International Development (Clare Short): During the United Kingdom presidency, we are seeking to improve the poverty focus and the effectiveness of the European Community's aid programmes. Our top priorities are to agree the European Union negotiating mandate on the future of the Lomé convention and to secure commitment to the international poverty eradication strategy and international development targets as a framework for all the European Community's development programmes.

Ms Stuart: What is the timetable for renegotiating the Lomé treaty? Does my right hon. Friend expect the renegotiated mandate to be in place by the end of the UK presidency?

Clare Short: Our target is to get the mandate agreed by the end of our presidency. We hope that it will be agreed at the General Affairs Council towards the end of June. We will hold negotiations on that mandate with representatives of the African, Caribbean and Pacific countries. The renewal date is 2000. Our thinking is that we will be able to reorganise the aid part of the agreement within the international poverty eradication strategy by that date. We will probably need to roll over the trade arrangements for five years while negotiating improved arrangements to be put in place thereafter. That is our hope, and it is highly likely that we shall achieve it.

Mr. Nigel Evans (Ribble Valley): If Britain can lift debt repayments for countries such as Jamaica, the Turks and Caicos islands and some other Caribbean islands, as we have done for 12 months, how much better could the European Union do if it acted in concert? Will the Secretary of State consider how the whole of the EU can lead the rest of the world in lifting debt repayments, so that, towards the new millennium, we can give the poorest countries with the biggest debt a fresh start?

Clare Short: The hon. Gentleman is right. Since 1978, Britain has been writing off aid debt, and last year we agreed with some of the poorer, if not the poorest, Commonwealth countries, including Jamaica, that, if they adopted good governance and poverty eradication strategies, we would write off more debt.

The European Commission as an institution does not have much aid debt because it is not an old institution, but many of the member countries do, so we strongly agree with the hon. Gentleman that the Commission should contribute to the heavily indebted poor countries initiative, which it has done, and that we should try to mobilise all the efforts of the European Community and the European Union countries, which constitute 60 per cent. of the world's donors. If we had an effective alliance, the European countries could lead the world in a great step forward in poverty eradication.

Ms Tess Kingham (Gloucester): Morocco receives substantial development funding from European Union member states, including the United Kingdom, despite the fact that it has illegally occupied Western Sahara since 1975 and that there were widespread human rights abuses against the Saharawi people in the run-up to the referendum this year. Will my right hon. Friend undertake to bring up with our partner states the situation in Morocco before any more money is released, and to ensure that adequate funding goes to Saharawi refugees, who are the injured party in the dispute?

Clare Short: I promise my hon. Friend that I will look into that matter in detail. My understanding, from memory, is that current disbursements in the Mediterranean programme are all halted because of inefficiencies in the methods of disbursing and accounting for the funding. I read this week that there has been some help for the refugees, but I cannot speak on the matter in any detail or with any authority, so I undertake to write to my hon. Friend.

Mr. David Faber (Westbury): During their presidency of the European Union, the Government have rightly played a central role in the contact group on Kosovo. At the time of the Foreign Secretary's statement, the Secretary of State said that she had no plans to increase aid to Kosovo, but she may know that the Westminster Foundation for Democracy hopes to become involved in democracy-building measures there. Given that violence, and thus suffering, are increasing at a disturbing rate in Kosovo, does she have plans, with her EU counterparts, to direct further aid to it?

Clare Short: The hon. Gentleman is right; the position in Kosovo is dangerous again, and there is a haunting sense that conflict might break out in the Balkans, as it did when we thought we were making progress in Bosnia. It has never been suggested to me that development assistance from my Department could help in Kosovo, but if contributions from EU programmes would assist and if the hon. Gentleman has any suggestions, I should be more than happy to look into them and to do anything we can to help.

International Monetary Fund-World Bank Meeting

8. **Mr. Richard Allan** (Sheffield, Hallam): What issues were discussed at the recent IMF-World bank meeting; and if she will make a statement. [39067]

The Secretary of State for International Development (Clare Short): The Chancellor of the Exchequer and I attended the spring meetings of the IMF and the World bank in Washington recently. Our priorities were, first, to improve collaboration between the bank and the fund so that lending programmes such as those in east Asia and in Africa take account of macro-economic adjustment, development needs and the needs of the poor; secondly, to agree that the bank must re-balance the cost of its services so that adequate resources are available for the poorest countries; and, thirdly, to speed up implementation of the highly indebted poor countries initiative. I am pleased that we made progress on all those issues. The Chancellor and I also had discussions on a range of issues with the managing director of the IMF and the president of the World bank.

Mr. Allan: While I appreciate that the Department is so keen on inclusive government that it sends briefings

with suggested supplementary questions to Opposition Members, I hope that the Secretary of State will forgive me for not using one of them. Does she agree that the Jubilee 2000 coalition, which is supported by many thousands of our citizens, should be responded to by the Government, and that the World bank and the IMF are crucial to any accelerated programme of debt relief for the poorest countries? Are moves being made in that direction on behalf of the IMF and the World bank?

Clare Short: I have often said in the Chamber that the issues with which we deal at Question Time are far too important for party politics. Most of the time, there has been serious engagement from hon. Members on both sides of the House on how we can make progress in development, which I welcome. I am pleased that the hon. Gentleman received the briefing—I did not write it—and hope that he found it useful.

My right hon. Friend the Chancellor and I strongly agree that we must speed up implementation of the HIPC initiative. When my right hon. Friend put forward the Mauritius mandate nearly a year ago, there was resistance among other countries to the target of getting three quarters of countries on course by 2000. Now everyone agrees that it is likely to be achieved, but we must not be complacent. Countries such as Rwanda do not qualify, and we must do more. I agree with the hon. Gentleman that the Churches and Jubilee 2000 have done a glorious job in mobilising support in this country and internationally for debt relief for the poorest countries.

Ann Clwyd (Cynon Valley): My right hon. Friend will confirm that she did not give me this supplementary question. Will she also confirm that the bail-out of the corrupt regime in Indonesia, which will cost this country an estimated $700 million, was discussed at the recent meeting of the IMF and the World bank? In the light of her remarks about good governance and respect for human rights, how can we support the bail-out of a regime that is attacking pro-democracy activists and torturing students, and which is unstable and will collapse in the near future?

Clare Short: My hon. Friend is right; the Indonesian Government are responsible for corrupt and unattractive practices and for poor governance, which have helped to feed the depths of the crisis in Indonesia. No one wants to bail out people who are responsible for such practices, but we are deeply worried about the suffering of the people of Indonesia. The task is to intervene in ways which bring relief to the poor and prevent the crisis from spreading, and require greater transparency that bears down on corruption so as not to prop up the current practices of the Indonesian Government. We are right to try to achieve those things; otherwise, the suffering of the people of Indonesia will be even greater.

Mrs. Margaret Ewing (Moray): How many coins have been received by the right hon. Lady's Department and the Treasury from people who support Jubilee 2000, and how will they be spent?

Clare Short: Speaking again from memory, around £2,000 of shillings, I think, was sent to the Treasury, which is why I do not know exactly. I am sure that my right hon. Friend the Chancellor does. They have all been credited to Tanzania. The coins are a token of the concern of the many people who write letters in vast quantities and visit my advice bureau, and whom I meet in schools in my constituency. That shows the depth of generosity and commitment of the people of Britain, including poor people, to bring relief to people in need across the world.

South Africa

9. **Mr. Peter L. Pike** (Burnley): What aid is planned for 1998–99 for South Africa from the know-how fund. [39069]

The Parliamentary Under-Secretary of State for International Development (Mr. George Foulkes): The know-how fund provides technical assistance to countries in transition. We provide similar support to South Africa to reduce poverty by helping to improve delivery of education, health, enterprise development, water and environmental services. We plan to spend £25 million on these activities in the current financial year.

Mr. Pike: It is exactly four years since polling in the first free election, which ended the apartheid era. The legacy of apartheid will take many years to remove. Will not the know-how fund play a crucial part in helping South Africa and its economy to deliver what we want for that country as we move forward to the new millennium?

Mr. Foulkes: Since the end of apartheid in South Africa, Britain has pledged £120 million of bilateral aid. In the current financial year, £22.5 million is to be spent, in addition to £100 million from the European Union, £15 million of which comes from the British taxpayer. That is a great contribution to ensuring that the transition from the apartheid regime to a democratic South Africa prosperous for all its people is carried out as smoothly and swiftly as possible.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [39088] **Mrs. Anne McGuire** (Stirling): If he will list his official engagements for Wednesday 29 April.

The Prime Minister (Mr. Tony Blair): This morning, I had meetings with ministerial colleagues and others. I also did a live video broadcast on the internet. In addition to my duties in the House, I shall be having further meetings later today.

Mrs. McGuire: I thank the Prime Minister for his answer. A year ago, people in Stirling made their contribution to the election of a Labour Government by throwing out—I love to say it—the then Secretary of State for Scotland. Does the Prime Minister recognise that our emphasis over the past year on the economy, health and education has kept faith with those voters, and that we will build on that success in the second year? Will he

comment on the fact that, in even the most critical analysis of our first year, we have not heard the cry, "Bring back the Tories!"?

The Prime Minister: Certainly not. Since last May, we have had the extra £1.3 billion to improve school buildings and the £1 billion on current spending. We have had the Bill to cut class sizes—the Education (Schools) Bill—and we have replaced nursery vouchers. The NHS has had £2 billion more. We have had the new deal for the unemployed. VAT on heating has been cut, and handguns have been banned. Child benefit is up. We have had referendums in Scotland and Wales, and there have been cash payments to pensioners. That is a record of which this Government are proud.

Mr. William Hague (Richmond, Yorks): A year ago, the Prime Minister promised to cut national health service waiting lists. After the year on which he has just been so busy congratulating himself, they stand at more than 1.25 million, up by 100,000. Will he confirm that?

The Prime Minister: Waiting lists had been going up for several years before we came to power. As a result of what this Government have done, we will fulfil our election pledge, and the appalling record on waiting lists of the right hon. Gentleman's Government will be reversed by ours. We made the pledge for this Parliament and we will deliver it this Parliament.

Mr. Hague: Is it not true that the figures mean that waiting lists have gone up by more than 2,000 for every week that the right hon. Gentleman has been in office? Is it not true that he promised to reduce waiting lists as an early pledge at the time that he made the pledge? Is it not amazing that, in the assessment of the past year published yesterday, the Secretary of State for Health says that the waiting list promise is a promise that is being delivered? Is it sufficient for the Secretary of State for Health to say now that, even by next year, waiting lists can only be back to square one and the manifesto commitment still not met?

The Prime Minister: No. What is amazing is the Conservatives having the impudence to attack anyone on their record on the national health service. We have put in £2 billion more than the Conservative spending plans, and we will get the waiting lists down. Yes, of course it takes time to reverse the record of the previous Government, but we will do it.

Mr. Hague: Is it not extraordinary that the Secretary of State for Health says that he is partly responsible for that failure, but that the Prime Minister never takes any responsibility himself? His colleagues made specific promises to keep hospitals open, and he is closing them. They promised to save the NHS and he is increasing spending by less than the Conservative average. They promised to cut waiting lists and waiting lists are now at a record high. Is that what he meant a year ago when he said that things could only get better? Is it not the case that, on the NHS, he promised so much and, on the NHS, he has let people down?

The Prime Minister: No. First, the amount of money we are putting into the health service—as I said, £2 billion over and above Conservative spending plans—means that we are raising health service spending by significantly more than was done in all the years that the right hon. Gentleman was in the Conservative Cabinet. Secondly, we will get the national health service waiting lists down—we will get them down. That is our pledge and, when we meet that pledge, I hope that the right hon. Gentleman will stand at that Dispatch Box and congratulate us.

Q2. [39089] **Mr. Ian Pearson** (Dudley, South): Looking ahead to this weekend's historic summit, which will decide the founder members of economic and monetary union, does my right hon. Friend agree that a successful euro is important to Britain's economy? Is it not typical of Conservative Members that they still do not know whether they are in favour of anybody joining EMU, and are in total disarray? Will he confirm that any future decision to participate will be taken in Britain's national economic interest by the people of Britain through a referendum, and that the Government trust the people of Britain?

The Prime Minister: The policy of the Conservative party was a mess before the election and has been a catastrophe since the election. It is extremely important for Britain that the euro is a success, whether Britain is in or out of it. I believe that the fact that we now have a Government who have a constructive attitude toward Europe and who are working well with other countries in Europe is a significant plus, not only for Europe, but, more importantly, for Britain.

Mr. Paddy Ashdown (Yeovil): If a successful euro is important for Britain, why on earth are the Government still sitting on the fence about it? As the Prime Minister, with understandable justification, celebrates the first year of his party in office, will he spare a little time to reflect for a moment on the fact that Britain's industrial sector is now officially in recession; that the reason for that is an uncompetitive pound; that his Government's inability to face up to taking a clear decision on monetary union means that he can do nothing in that respect; and that the price is now being paid in lost exports, and will soon be paid in broken businesses and lost jobs?

The Prime Minister: I do not agree with that. I cannot think of a worse reason for joining the euro than simply to bring down the pound in the short term—that would be a great mistake. In respect of exports, the right hon. Gentleman will know that the Confederation of British Industry has already indicated that, over the coming year, its forecasts for the rise in exports are greater than those of the Government. It is also the case that, at the moment, manufacturing employment is still rising. We are aware of the difficulties people are experiencing with the strong pound, but there could be nothing worse than to intervene artificially to try to bring it down and return to the days of boom and bust, which did so much damage under the Conservatives.

Mr. Ashdown: Does the Prime Minister not realise that this is one of those issues in which the short-term interest and the long-term advantage coincide? He will be forced down the track faster than he now believes is likely because his Government, like the last, are being led by events in Europe, rather than leading them. What he

should be doing is adopting a declaratory policy, setting a target date for entry into single currency, following policies consistent with that aim, and holding a referendum on the principle before the next election. If he did that, the pound would go down, interest rates would go down, investment would go up and the Prime Minister would not be placed in the position, in which he is going to find himself this weekend, of presiding over a European meeting in which Britain ought to be playing on the field, but is relegated to standing on the touchline.

The Prime Minister: I do not agree with that at all. The right hon. Gentleman and his party believe in joining the euro no matter what the economic circumstances are. We believe that it is important that we join if the economic benefits are clear and unambiguous. That is the position that we have set out, and it is the right position. If we were artificially to try to intervene to take down the pound in the way that the right hon. Gentleman is suggesting, or, even worse, if we were to say that we would join the euro tomorrow and slash interest rates, irrespective of the domestic position of our economy, it would be a disaster for Britain, and for British industry.

The only way in which we shall deliver long-term economic strength is to cure the budget deficit, which we have done; to squeeze out inflation, which we have done; and to put economic policy on a stable footing for the long term, instead of repeating the boom and bust which, as people remember, gave us interest rates at 15 per cent. for a year or more and landed us with a doubled national debt. That was the Conservative record; we do not intend to emulate it.

Q3. [39090] **Mr. Phil Hope** (Corby): Hon. Members will be aware of the appalling crisis and famine in Sudan. Is my right hon. Friend also aware that an opinion poll has recently shown that many young people in this country are deeply concerned about such issues and want to learn more about the problems of global poverty, yet feel powerless to do anything about them? Will he tell the House how we are responding to the crisis in Sudan? Will he give backing to efforts by schools and youth services to raise young people's awareness of these issues, and to mobilise those young people, as active citizens, to tackle issues of global poverty?

The Prime Minister: Yes, I am aware that this is a very serious issue indeed for many young people, and for many of us, which is one reason why the Chancellor gave extra help for people who want to make donations to the developing world.

The United Kingdom is one of the largest donors of aid to Sudan. We have pledged an extra £4 million; I believe that, since 1991, we have given more than £130 million. It is important, of course, that there is a ceasefire so that that aid gets through to the places where it is needed, and I am sure that my hon. Friend will have heard the comments of the Secretary of State for International Development a moment ago, in which she emphasised how important it is that we bring about political stability in Sudan, so that those people who are suffering at the moment can get the help that we are pledged to give them.

Mr. Alan Duncan (Rutland and Melton): Will the Prime Minister confirm that he never knew the identity of anyone who contributed to his blind trust?

The Prime Minister: As I have always said, that is the case.

Q4. [39091] **Mr. Tony Colman** (Putney): Is the Prime Minister aware that if, on 7 May, the Labour party wins control of Wandsworth council, it intends to spend an extra £1.5 million on education, via the schools budget—a move that the director of finance has said is reasonable and something that he has no problem with? Does my right hon. Friend share my opinion that parents nationwide who share the Government's commitment to spending on education should vote Labour on 7 May?

The Prime Minister: I am delighted to share that suggestion, but the point that my hon. Friend makes is right also in the sense that, in contrast to Conservative councils, Labour councils are ensuring that the money that we are giving on education gets through to the schools. We have had a glimpse of what Conservative-controlled councils will do in Essex, where, although an extra £27 million was given to the council, it decided to cut £3 million from the education budget. That is Conservative policy for you.

Mr. John Butterfill (Bournemouth, West): The right hon. Gentleman has said clearly that he thinks that there should be a process of evaluation of the euro after it goes ahead, before Britain takes a decision as to whether it should participate. What minimum period does he believe would be necessary for that evaluation?

The Prime Minister: We have made it clear that we do not foresee Britain joining monetary union in this Parliament. I know that the hon. Gentleman's party has put some arbitrary date on joining, but I do not think that that is sensible. We should make a judgment according to our national economic interest and on the basis that I outlined a moment ago. Ruling out joining for 10 or 30 years, or whatever the hon. Gentleman's party's position is these days—I am not really sure—is just not in the country's interests. So I believe it sensible to keep with the policy that we have put forward.

Q5. [39092] **Mr. Dennis Skinner** (Bolsover): Is the Prime Minister aware that, when I was surfing the internet today, I spotted the fact that the Institute of Directors—the real bosses—has come down in favour of a weak pound? Its members have joined the Tories and the Liberals in wanting a weak pound. I suggest that my right hon. Friend tell them, when he meets them in the big tent now and again, that they are the same people who are against the minimum wage, the social chapter, shorter hours for workers and longer holidays. Mark my words: if we ever had a weak pound, they would be against that as well. Remember the consequences: that lot devalued in 1992 and they lost the election. The history of Governments since the war shows that devaluations and weak pounds do not get you into Downing street.

The Prime Minister: That is one of the most imaginative bids for the presidency of the European

central bank that I have heard. My hon. Friend is absolutely right. By contrast, the remarks of the director general of the CBI highlighting the need to increase productivity are perhaps a better way into the economic arguments.

As for the internet, surfing it today I came across the entry of the right hon. Member for Richmond, Yorks (Mr. Hague), which comes under the logo "Meet Your Heroes Live". It also includes Madonna, the Spice Girls and the Wombles—who will no doubt be delighted that Wimbledon now has a Labour Member of Parliament.

Mr. William Hague (Richmond, Yorks): I am not surprised that the Prime Minister asks for up to two weeks' notice of questions on the internet, as we have never known him answer them live. Now that we have had a history lesson from the hon. Member for Bolsover (Mr. Skinner), may I ask the Prime Minister whether he thinks that Rupert Murdoch was right or wrong when he de-recognised the print unions in the 1980s and moved to Wapping?

The Prime Minister: I do not have the faintest idea what the right hon. Gentleman is getting at. What I can tell him is that, whether Mr. Rupert Murdoch agrees or not, there will be laws giving people the right to recognition, and they will be introduced by a Labour Government. It would be helpful to know whether the right hon. Gentleman intends to oppose or support them.

Mr. Hague: The right hon. Gentleman must know that Rupert Murdoch would never have been able to break the stranglehold of the print unions if a compulsory union recognition law had been in force at the time. Now the Prime Minister proposes to introduce such a law, hugely extending trade union power. Is not that an attempt to turn the clock back to the trade union laws that we last had in the 1970s? Does he really believe that what this country needs as it enters the 21st century is more trade union power?

The Prime Minister: If that was a pitch for Rupert Murdoch's support, the right hon. Gentleman could do a bit better. We are not turning the clock back; what is surely important is that people should get basic minimum rights in the workplace. The right hon. Gentleman used to tell us that he was opposed in principle to the minimum wage. What is his position today?

Mr. Hague: This is Prime Minister's Question Time. The Prime Minister is trying to do a deal with the unions because they expect that in return for financing the Labour party. This is one pledge that he knows he has to deliver early. Instead of doing backroom deals with the Labour party's paymasters, should he not be telling them that the days of increasing trade union power are well and truly over and must never return?

The Prime Minister: If there is any brain left in the Opposition, it is time that they manifested it. The right hon. Gentleman seems to have the idea that, by giving people the right to union representation if they want it, we are committing some terrible act against employers. Every civilised country anywhere in the world grants such rights. The United States does so. As far as I am aware, every modern economy says that, if people wish to be part of a trade union, they should be able to do so.

There is a basic philosophical difference between Conservative and Labour. Whether in the context of the minimum wage or trade union recognition, basic minimum conditions of fairness at the workplace are perfectly consistent with a prosperous and efficient economy. That is our philosophy. It is not the right hon. Gentleman's, but I believe that ours is more in tune with the British people.

Q6. [39093] **Mr. John Heppell** (Nottingham, East): Although I am sure that many people would respect Mary Bell for trying to create a new life with a new identity, will my right hon. Friend join me and the majority of people in Britain in expressing disgust and disappointment at the fact that she should gain financially from being the perpetrator of a heinous crime?

The Prime Minister: As I said this morning, most people would find it repugnant that anyone should benefit from crimes as heinous and appalling as those. It is right that the Home Secretary should look at how we can strengthen the law in that regard, as he has said he will do. The existing law, besides not being retrospective, would not deal with that case. It is important that we make sure that the law is tightened. The Home Secretary will consider that. Most people would consider it wrong that any money is received or paid over in respect of books written about such crimes.

Mrs. Ann Winterton (Congleton): What personal initiatives has the right hon. Gentleman taken, as Prime Minister and with Britain holding the presidency of the European Union, to introduce proposals to stem the supply of drugs from South America through the Caribbean and from Asia through Turkey?

The Prime Minister: As the hon. Lady may know, we have concluded with the countries coming into the European Union pre-accession pacts on organised crime, including drugs. We have also hosted several meetings at EU level to improve co-ordination in the fight against international crime and drug abuse. That will be one of the topics raised at the EU meeting in Cardiff and the G8 meeting in Birmingham.

Q7. [39094] **Mr. Stephen Timms** (East Ham): The Government this week launched the new policy on tackling drug abuse, which has been widely welcomed, including by the hon. Member for Congleton (Mrs. Winterton), especially the announcement that the assets of drug dealers will be seized to fund anti-drugs work. How does that initiative fit into the Government's wider assault on social exclusion? Are not additional data required on the impact of drugs in our communities—data that have not been available in the past? Is it not a tragedy that up to 200,000 people in Britain have had their lives blighted by drug addiction?

The Prime Minister: The problem is serious, and we are pleased that there has been cross-party consensus on it. In the statement a couple of days ago, we acknowledged the work that had been done on the matter by Tony Newton, now Lord Newton. It is important that we tackle every aspect of the problem, not just through measures to seize the proceeds of crime, but through better education and better treatment, and by dealing with

the problems of poor housing, unemployment and social exclusion, where drug abuse festers. There is no doubt that, unless we tackle both the supply and the demand, we have no chance of success.

Mr. Tom Brake (Carshalton and Wallington): A school in my constituency has just sent a letter to parents asking them to contribute £10 a month because the school cannot make ends meet. One year on, is education, education, education still the Prime Minister's priority?

The Prime Minister: Yes. That is why we are spending more money on education than the Liberal Democrats asked for before the election. [HON. MEMBERS: "No."] I am afraid that that is absolutely right. We are spending not merely more money on current expenditure, but more on the school repairs programme. I have always said that it will take time, but we shall meet our pledges. We are providing the extra resources, but they must be combined with reforming our schools to make them work more effectively.

Q8. [39095] **Mr. Lawrie Quinn** (Scarborough and Whitby): Is my right hon. Friend aware that my constituents in Scarborough and Whitby, along with many other people in North Yorkshire, will benefit from the £1.4 million extra spending on rural bus services? Does that not show clearly that the Government will deliver a national transport policy, unlike the previous Government, who presided over a decline in rural transportation to the extent that three quarters of parishes in England have no daily bus services?

The Prime Minister: Yes. The money announced in the Budget—£41 million for England and £50 million overall in the next three years—will go some way towards repairing the damage done by the previous Government. Literally only a quarter of parishes in England have proper rural transport services at present. Our Budget announcement is only a start: we want to go on and do more.

Mr. Patrick Nicholls (Teignbridge): When the Prime Minister responded a few moments ago to my hon. Friend the Member for Rutland and Melton (Mr. Duncan), was he aware that, at the Neill committee meeting this morning, a Mr. Drucker—who was described as a major fund raiser for the Labour party—said that the beneficiaries of blind trusts know the identity of their donors? Accepting that the Prime Minister was speaking the truth about himself, is he entirely satisfied that Mr. Drucker was wrong about those members of the Cabinet who also enjoy the benefit of blind trusts?

The Prime Minister: As the hon. Gentleman no doubt knows, Mr. Drucker left the services of the Labour party. Since then, he has launched a series of attacks on the Labour party to which I do not attach any credibility.

Q9. [39096] **Dan Norris** (Wansdyke): Sidney Cooke, a highly dangerous paedophile, is currently residing in an Avon and Somerset police station. He has apparently expressed the desire to live in the west country, specifically in Bristol. What reassurances can the Prime Minister offer—while recognising that this is a very difficult problem and that the Government and the police are doing all in their powers to deal with it—to anxious parents, a worried public and hard-pressed professionals that Sidney Cooke is being dealt with in the best possible manner, and that a series of equally dangerous paedophiles who are likely to be released in the next few months will also be dealt with thoroughly and properly?

The Prime Minister: As my hon. Friend may know, we are toughening up the measures that apply to sex offenders in the latest Crime and Disorder Bill. Those measures will greatly extend the periods of supervision that apply to sex offenders. We are also working, as a priority, on a new sentencing power for courts that will give the public proper protection from dangerously disordered offenders, including the most serious sex offenders. Such people could remain in detention for as long as regular assessments show that they remain dangerous.

I stress also—as I am sure that my hon. Friend would—that we must deal with such matters through the law and not through mob or vigilante violence. I fully understand people's enormous concerns, and we are addressing them in the correct way: through the law.

Q10. [39098] **Mr. Nigel Waterson** (Eastbourne): Will the Prime Minister take this opportunity to rule out the possibility of taxing the disability living allowance?

The Prime Minister: We published our proposals in our welfare Green Paper, and, as the hon. Gentleman will have seen, they did not include suggestions to tax disability living allowance. I should also point out that the previous Conservative Government made the biggest changes to the benefit system, removing some £2 billion from the disabled. Our proposals make it clear that money for the disabled will go to those who are seriously in need. That is the way it should be.

Mr. Llew Smith (Blaenau Gwent): Does the Prime Minister accept the view expressed on many occasions by his Lord Chancellor that, if the system of twinning constituencies for the election of candidates to the Welsh assembly is adopted, it will be unlawful?

The Prime Minister: Of course we are looking at all the different ways in which to try to increase the representation of women in the Welsh assembly and in the Scottish Parliament. I simply say to my hon. Friend, if he is opposed to us trying to do that, that I think that the fact that we have more than 100 women on the Government Benches is a great thing not only for the Labour party, but for Parliament, and we should be looking at ways in which to do that in the Welsh assembly and the Scottish Parliament, too.

Q11. [39099] **Mr. John Swinney:** (North Tayside): The Prime Minister may recall that, the first time that he answered questions as Prime Minister, I had the good fortune to be the first of the new Members to ask him a question. It is the only time that I have had the chance to do so before today. On that occasion, I asked the right hon. Gentleman whether he could give us a definitive time scale for the lifting of the European ban on the export of beef from Scotland to the international community.

The right hon. Gentleman could not give us a definitive time scale that day. After 12 months in office, is he any further forward in giving us a definitive time scale?

The Prime Minister: I cannot give the hon. Gentleman a specific date, if that is what he wants, because it is not possible to do that. I can say, however, that, for the first time, we have progress in that the Northern Ireland certified herd scheme is now through. I can also say—we hope very much that we have a reasonable prospect of achieving this—that there will be a date-based scheme that will affect Scotland and, indeed, all parts of the United Kingdom, which we can get to the Standing Veterinary Committee, probably in late May. That will be a considerable step forward. *[Interruption.]* As for the shouts from Conservative Members, we are having to debate this issue because of the mess that they left us.

Q12. [39100] **Mr. Rhodri Morgan** (Cardiff, West): Does my right hon. Friend agree that the devolution of power to Scotland and Wales, and, subject to a yes vote, next Thursday's London referendum, show that the Labour party is interested in devolving power, and that that is the ultimate answer to all those who accuse us of being a bunch of control freaks?

The Prime Minister: As if we ever would be. Of course, as my hon. Friend would expect me to say, he is right. We are decentralising power to Scotland, to Wales and, of course, to Northern Ireland if the referendum goes through there—and, if there is a mayor for London, to London. I am pleased to say also that, having fought a general election campaign on the basis that this would be a constitutional disaster, the Conservative party is now in favour of devolution to Scotland and to the Welsh assembly. From last night, it is also in favour of a mayor for London. By the time of the next election, I expect it to be in favour of the minimum wage, trade union recognition and our economic policies, too. That is a development that we welcome.

Sudan

3.32 pm

Mr. Malcolm Savidge (Aberdeen, North) (*by private notice*): To ask the Secretary of State for International Development whether she will make a statement on what action Her Majesty's Government are taking in response to the urgent and growing humanitarian crisis in the Sudan.

The Secretary of State for International Development (Clare Short): The cause of the terrible crisis in Sudan is the civil war. Since 1991, the Government have spent £136 million on humanitarian assistance. In February, I approved a further £4 million in response to a United Nations appeal. We can make more funding available. The problem is not lack of food supplies or money, but delay caused by the Government of Sudan in permitting access, and to get the food to the starving.

In our role as president of the European Union, and on behalf of all EU countries, we are issuing a challenge to both sides—the Government of Sudan and the factions in the south—to agree an immediate ceasefire, so that the necessary supplies can be delivered urgently. The quantities needed cannot be delivered quickly enough by air. We are liaising closely with the UN agencies and all the non-governmental organisations working in the area.

Obviously the immediate priority is to feed the starving, but the long-term answer is a peace settlement. The international community must impose maximum pressure on both sides to reach a peace agreement at the talks beginning in Nairobi on Sunday.

Mr. Savidge: I thank my right hon. Friend for her reply. I am sure that I speak for the whole House in saying that the Government have our total support in every effort they make to alleviate that appalling tragedy.

The House would also agree that we should praise those sections of the news media that have sought to publicise the crisis. I pay particular tribute to BBC television, which has helped to bring home to us the appalling suffering and personal tragedies that underlie the stark statistics—tens of thousands of people facing immediate death, and several hundreds of thousands facing the longer term threat of famine.

Will my right hon. Friend continue and increase her efforts, in conjunction with other appropriate Government Departments and the Governments of other countries, to ensure that increased aid gets through to those in need? Will she put the maximum possible pressure on the Government of Sudan not to obstruct aid transport? Above all, as my right hon. Friend said and as the Prime Minister said in Prime Minister's Questions, in conjunction with the combined world community we must do everything that we can to bring to an end that terrible war, which has lasted for nearly 15 years, and has cost 1.5 million lives through fighting and famine.

Clare Short: My hon. Friend is absolutely right. Some 300,000 people are in danger of starving. Food and money are available, but we cannot get the food through. It is absolutely imperative for the media that have brought the crisis to international attention to keep the pressure on the right places: on the factions in the south and the Government of Sudan. We need an immediate ceasefire so that we can get food through; otherwise, the famine will spread and even more people will suffer and die.

There are more refugees and internally displaced people in Sudan than anywhere else in the world. As my hon. Friend said, the war has gone on endlessly. It is causing loss and desperate suffering, and the whole international community must increase its efforts to get a ceasefire and peace, so that the people of Sudan can rebuild their lives.

Sir Alastair Goodlad (Eddisbury): Does the Minister accept that Opposition Members share the revulsion of people everywhere, expressed by the hon. Member for Aberdeen, North (Mr. Savidge), at the inhumanity of those who are blocking emergency food supplies to the starving?

Can the Minister tell us a little more about the discussions that she and her officials have had with the United Nations and its agencies about achieving a peace settlement? What discussions have there been with the Sudanese Government and the leaders of the Sudan People's Liberation Army on delivering aid to the south? Does she think that the Operation Lifeline Sudan agreement is now adequate for the problem? If not, what should replace it? What leverage do the British Government and the European Union have over the Government of Sudan?

Clare Short: This is another issue on which we completely agree, and we must use all our influence and endeavours to exert the maximum pressure in order to get some improvement. I know that that is the right hon. Gentleman's aim.

Our major liaison with the UN agencies is in respect of the delivery of humanitarian assistance, and it always has been. I have met the Secretary-General's envoy from time to time, and we are liaising, although the job is extremely difficult. People are suffering and desperately need peace, but the Government of Sudan and the faction leaders are not suffering and do not want peace.

The surrounding neighbouring countries are leading the endeavour to achieve peace. The Intergovernmental Authority on Development—or IGAD, as it is inelegantly known—has been working hard since 1994. Apart from the tragedy and suffering in Sudan, the war spills over into other countries. The Lord's Resistance Army in northern Uganda is almost unquestionably supported by the Government of Sudan, so the trouble and conflict spread into neighbouring countries and endanger their economic development and their chances of eradicating poverty.

We are backing, in every way we can, the initiative of the neighbouring Governments. The Sudanese Government are extremely difficult to deal with. Limited sanctions have been imposed on them, called for by the Security Council. We are implementing those in terms of visas and travel permits, but we have an embassy in Khartoum, and we apply all the pressure we can.

Operation Lifeline Sudan, the UN umbrella under which all the NGOs and people working in Sudan operate, is the best we have available. It is extremely difficult to deal with a fickle Government and fickle factions fighting in the south, all of whom have blocked the delivery of humanitarian assistance when it suits their purposes.

Unfortunately, we do not have enough leverage to achieve more, but no Government can say that they have done enough in this appalling tragedy—we must all try harder.

Ann Clwyd (Cynon Valley): I congratulate my right hon. Friend on her immediate action to provide humanitarian relief. I know that she will continue to do so, and to do everything possible to get aid to the children and adults in dire circumstances whom we have seen nightly on our television screens. As she said, a political solution must be achieved. Will she tell us more about the talks in Nairobi? Who will be taking part? Can we put pressure on the United Nations Security Council to consider the matter with great urgency, so that all possible pressure from all over the world can be brought to bear on the Sudanese Government?

Clare Short: I can assure my hon. Friend that we will provide whatever is necessary. The problem is not providing money; it is applying political pressure so that food can get through to people. We shall continue to do everything that we can. I gave the House some figures demonstrating our commitment. Much of that aid was obviously provided under the previous Administration, but more is available. The shortage is not money: we shall ensure that that is provided.

Talks took place last October between the neighbouring Governments—the IGAD group—but no progress was made. Those talks will resume on Sunday. The first priority must be a ceasefire, so that humanitarian aid can get through; then pressure for a settlement must be applied. The war is benefiting no one. Under the Organisation of African Unity, all African Governments agree that countries in post-colonial Africa have to remain within their existing boundaries. A decentralised solution would be right. If that is to be the solution, why, for goodness' sake, cannot we make peace now and end the people's suffering?

I agree with my hon. Friend that every country and political institution must examine how it can increase pressure to achieve peace and allow assistance to get through. None of us can be complacent.

Sir Peter Tapsell (Louth and Horncastle): Is the Secretary of State aware that, when I first visited the Sudan, half a century ago, it was one of the best administered countries in what is now called the third world? Sudan was then known colloquially as the country where the blacks were governed by the blues, because, to get into the old Sudan civil service, one needed not only a first-class honours degree from Oxford or Cambridge, but a blue or two blues.

In too many countries in the third world, the problem is political rather than economic, and it is sheer cynicism and cant to think that it can be solved by financial aid and medicines. Unless the civilised world community is prepared once again to take effective political control of those countries, millions of innocent women and children will continue to be massacred.

Clare Short: One hears some strange attitudes expressed. The hon. Gentleman seems to be advocating the recolonisation of Africa, which is so foolish that I do not for a second believe that he means it.

It is notable that, in the post-cold-war world, in which are conflicts no longer played out between the two great blocs, it is in the poorest countries that war is breaking out. The history of this country, of western Europe and of north America shows that, in times of great poverty, it is difficult for countries to deliver fruits to all their people, and if they are not careful, conflict results. That has happened in Rwanda and many other countries.

I do not know enough about Sudan's history to comment on the position 50 years ago, but the Sudanese Government have a major responsibility for the present problems, as do the leaders of the factions in the south. They are pursuing the war at the cost of their people and their country. That is intolerable, and the whole world should disdain them for that and call for peace. However, the recolonisation of Africa is a foolish idea.

Dr. Jenny Tonge (Richmond Park): Is there anything that the Government and the international community can do to ensure that aid reaches the starving people in Sudan, and is not, as is reported to have occurred, gobbled up by the soldiers of the warring factions, particularly in the south of Sudan? Are steps being taken to ensure that the surrounding countries, which are also very poor, will not be flooded with refugees from Sudan with whom they may be unable to cope?

Clare Short: In all difficult humanitarian situations, the misuse of aid and humanitarian assistance by fighters is a major problem. It happened in Bosnia, as the hon. Lady will remember. In Rwanda, humanitarian assistance fed those who organised the genocide, strengthened them, and helped them to arm themselves in order to return to Rwanda to kill witnesses to the genocide, as they are doing now, and to destabilise the country. That is a continuing problem, and we shall do everything in our power to prevent it.

There have been similar problems in Sudan, but the present crisis is so great—so many people are in imminent danger of death—that, if we do not achieve a ceasefire and get supplies through, there will be the most terrible tragedy. In comparison, the problem of some fighters receiving resources would be minute. We must all press for a ceasefire.

There is a great refugee problem in surrounding countries, which is another problem for Africa. There is so much war in Africa, in some of the poorest countries in the world, and some of those countries have higher numbers of refugees, with all the associated problems. There is no doubt that surrounding countries are burdened with large numbers of refugees. In this famine, people cannot get out of the war zone, and that is partly why they are hungry. They would prefer to be refugees than to be in their current situation.

Mr. Kevin McNamara (Hull, North): Is my right hon. Friend aware that, although we welcomed her reply to the hon. Member for Louth and Horncastle (Sir P. Tapsell), most of us would not like to see Cromwell back in Ireland?

Will my right hon. Friend tell the House to what extent she is prepared to challenge the Khartoum Government's position at the forthcoming IGAD conference? Whether or not we achieve a ceasefire, we should be able to ensure that basic relief will go to starving mothers and children in southern Sudan, and try to ensure, if necessary by a

[Mr. Kevin McNamara]

military presence, that flights will arrive, help will be given, and the armed forces of either side will not interfere with it.

Clare Short: The right solution lies in that challenge. I shall not be at the talks, as neither the British Government nor I have a place there. We are supporting the process, but we are not among the negotiators. However, I personally have issued a challenge to the Khartoum Government to let aid through, and, indeed, to leaders of the factions in the south, who are also resisting any suggestion of a ceasefire. The challenge goes out to all of them.

I note my hon. Friend's suggestion that a military presence might be considered. That is a matter for the United Nations, but I do not think that it is the main issue. If we can achieve a ceasefire, there will be no problem. The war is so difficult and remote that I am not sure that, even if there were a willingness to involve a military presence, it would get the food through at the necessary speed.

Rev. Martin Smyth (Belfast, South): I appreciate the desire for a peace settlement, but does the Secretary of State recognise that the Khartoum Government are not happy about western interference, as they believe that we have hold of the wrong end of the stick when we accuse them of terrorism and of supporting terrorism? When we speak of food and aid, we should speak not only of the south, but of the north and west. Is it not a fact that the Khartoum Government are not allowing supplies to go through? Is it not time to we consider some other way to get them through—or are we relying on international boundaries?

Clare Short: The first thing I have to say to the hon. Gentleman is that the Government in Khartoum do support terrorism. There is no question about that in the cases of Egypt and of the Lord's Resistance Army in northern Uganda, which kidnaps young girls to make them into sex slaves, and young boys to make them into fighters. That disgraceful behaviour is destabilising Uganda, and is supported by the Khartoum Government. It is a matter of international record that the Government in Khartoum support terrorism, and they should be denounced for that.

The hon. Gentleman is right to say that there have been shortages in the north and west. Operation Lifeline Sudan does not hold hostage poor people who are suffering simply because they live under bad Governments. Where there is need, we must provide. For now, however, the crisis is in the south. We will fly in all we can, but we need a ceasefire to allow us to take in vast quantities of food. Otherwise, many people will die before it reaches them.

Mr. Tam Dalyell (Linlithgow): I do not wish to create difficulties for my right hon. Friend by asking her to name countries, but do we know who is supplying the massive quantities of arms that seem to be going to one side, and probably to both? Who is paying for all that? Unless we get to the root of the arms supply problem, there is no chance of aid reaching the people it should reach. Is it not absolutely scandalous that highly technological countries are perhaps turning a blind eye to the human tragedy and to the consequences of what they get up to?

Clare Short: My hon. Friend is right. Obviously we must do all we can to deal with the immediate crisis, and we do not have time to deal with arms supplies in the short term when we need to get a ceasefire and get food through. Wars such as this cannot go on unless arms are supplied. In the past week or so the United Nations Secretary-General has issued an impressive report on Africa, stating where it stands and what needs to be done. It calls for a further reduction in arms spending by Africa, and a reduction in the supply of arms to Africa. At the spring meeting of the International Monetary Fund and the bank, Mr. Camdessus in particular said that those targets should be embraced by all the international institutions.

I agree with my hon. Friend that war is breaking out in the poorest countries and is causing suffering, overwhelmingly to civilians, and big refugee movements. The supply of arms must be reduced to help Africa to resolve conflict. Africa must build itself instead of wasting resources and people in war.

Mr. Andrew Robathan (Blaby): The Minister has spoken about the Lord's Resistance Army in northern Uganda. As she knows, it operates out of Sudan, and is openly supported by the Sudanese Government. She probably also knows that it has kidnapped some 8,000 children, most of them for death or prostitution. Irrespective of whether the ceasefire ends, can the Government take any action to assist the Uganda Government in their struggle against the Lord's Resistance Army, if necessary in conjunction with her colleagues in the Ministry of Defence, or perhaps by the use of a training team?

Clare Short: As the hon. Gentleman will appreciate, I do not have the capacity or the knowledge to speak about any form of military assistance. We are providing significant resources to Uganda, whose track record on good governance and economic growth is a model for Africa, as the hon. Gentleman will know. Uganda has shown its capacity to go forward after terrible conflicts, and that brings optimism to Africa, because it suggests that many countries can be optimistic about the future.

We are keen to provide support in the north. I have spoken to President Museveni about whether support can help to stabilise some areas and strengthen the resistance of local people. We can examine development assistance in that way. The hon. Gentleman asks whether any military assistance could stop the evil abduction of children who are used as fighters or as sex slaves for other fighters. That is a monstrous way to conduct a war. I shall pass the hon. Gentleman's question about whether we can give such support to my hon. Friend the Secretary of State for Defence.

Mr. Gerald Bermingham (St. Helens, South): Am I correct in thinking that my right hon. Friend is effectively saying that there is no way to persuade the Government in Khartoum that the supply of food to the starving and the dying does not necessarily succour enemies but may create friends? Am I also right in thinking that there is no hope of the rebels also understanding that succouring the

dying and the starving may create friends rather than succour enemies? Perhaps somebody should try to convince both sides that it is the child, the woman, the young man and the not-so-young man who need to be fed if they are to have a place in our world.

Clare Short: My hon. Friend is right. I do not want to say that there is no way to convince people, because that is the opportunity for the international community. If everyone can see the cause of the problem and use world emotion to put pressure on those two groups of people to let the food through and create an imperative to make peace, we could make progress. As the famine grew, the Government of Sudan resisted entry, so that no one from the United Nations could get in to see the problem. Until the beginning of April, they resisted all flights, but now they are allowing some, so international public opinion has made some difference. It is still inadequate, but there has been a change.

We need more pressure on the Government of Sudan, and pressure on the factions that are fighting in the south. They are supposed to be fighting for the freedom of the starving people, but they are resisting a ceasefire that would let food in. Those are the areas in which international public opinion must exert pressure.

Mrs. Margaret Ewing (Moray): We all recognise that a long winding road must be followed before all the political complexities are resolved, but I suspect that the immediate concern of us all is for the starving people we saw on our television screens. As UNICEF, Christian Aid and other food relief organisations have identified the areas where the population is starving, what reasons internationally are preventing additional air drops of supplies, at the very least?

Clare Short: The problem is not money or food supplies. I say that repeatedly, only so that the world knows what the problem is and applies pressure in the right place—otherwise, everyone will start to collect money, which is not where the answer lies, as it will take too long and too many people will die.

The famine is accumulating in remote settlements over a massive area—the area is as large as Portugal, and is itself within an area the size of a big part of western Europe. To get food to people who are frail and sick is an enormous job, and to do so through air drops is slow and difficult. If there were a ceasefire, lorries could be used to move in much more food much more quickly. In the meantime, we shall do all we can by air and through NGOs, but if we have only those options, many, many people will die.

Mr. Paul Flynn (Newport, West): Is there not is a lesson in this for us parliamentarians? We are discussing this today not because the Rev. Richard Rogers fasted for 40 days outside the Foreign Office last year, or because, over the years, hon. Members from both sides of the House have tabled early-day motions and questions pointing out that more people have died in the Sudan than in Rwanda, or even because of the efforts of my right hon. and hon. Friends on the Front Bench; but because television cameras happened to be on the spot—exactly the same happened with Ethiopia.

I rejoice in the fact that we are discussing the matter in detail, and that the emotions and compassion of the country have at last been aroused by this awful tragedy, but does my right hon. Friend—I believe that she and the rest of her team are doing an admirable job—agree that, in the long term, we should be proactive in drawing attention to such tragedies, and not rely on where the cameras happen to be? We should adopt such a long-term policy, so that we, rather than the media, control where attention is focused—on the worst crises.

Clare Short: My hon. Friend is right, but, as he knows, the media are increasingly fickle. As I keep saying, the world has now agreed on an international poverty eradication strategy. Everyone has signed up to halve the proportion of people living in abject poverty, to ensure that all children are in education, and that all people have basic health care by 2015—in most of our lifetimes, abject poverty could no longer be part of the human condition.

Such a stupendous and wonderful aim, which the world could achieve, is of no interest to the media. It is boring and long-term, worthy and noble. It concerns the future stability and sustainability of the planet. It would be the biggest advance in human history, and this generation could achieve it, as we have the agreement and the knowledge—but the media are not interested. We must keep working, but it is very sad that the media like crises, rows and conflict, and are not interested in great historical advances.

Questions to Ministers

3.58 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy): On a point of order, Madam Speaker, of which I have given prior notice to you and to the Under-Secretary of State for Social Security, the hon. Member for Southampton, Itchen (Mr. Denham). I make this point of order to you, Madam Speaker, as the defender of Back-Bench Members' rights and privileges.

On Monday, I drew the first question in Social Security questions. I asked the Minister—I paraphrase the exchange—whether all the decisions under the benefits integrity project relating to the withdrawal or lowering of benefits before 9 February of this year would be reviewed. The response was a single word: "Yes."

Yesterday, I received a letter, dated Monday, from the same Minister—I might add that, before he made that reply, he was whispered to by his right hon. Friend the Secretary of State for Social Security. It reads:

"Following today's Social Security questions, when you raised the issue of reviewing decisions made under the Benefits Integrity Project, I thought you may find it helpful if I set out how we intend to take this matter forward.

We are concerned about cases where a decision was taken without the benefit of the new procedure introduced on 9 February and on which the claimant has not already sought a review of the decision. As you are aware, this new procedure will ensure that no decision to reduce benefit would be taken without seeking additional evidence. We are considering options for reviewing these cases, but there are some legal and operational issues which we need to resolve over the next few weeks".

He added that he would write again to advise on progress. What he said in the letter was, of course, directly different from his answer in the Chamber on the same day.

It seems that there are three possible options: first, that there was a deliberate effort to mislead Parliament; secondly, that there is a cavalier attitude to the truth; and, thirdly, that the Minister was trying to be slick and clever by using a single-word answer. In my respectful submission, Madam Speaker, all three would constitute a contempt of Parliament, and I seek your guidance accordingly.

The Parliamentary Under-Secretary of State for Social Security (Mr. John Denham): Further to that point of order, Madam Speaker. I am grateful to the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) for the notice he gave, and I am pleased to have this opportunity to set the record straight.

I regret to say that I misunderstood the full implications of the hon. Gentleman's question on Monday afternoon, and that, in my desire to provide a positive answer to his important question, I gave a less than full reply; but I assure you, Madam Speaker, that there was no intention to mislead the House. I wrote to the hon. Gentleman on 27 April—the same day as my answer to his question in the House—to clarify my intentions.

On 9 February, my right hon. Friend the Secretary of State for Social Security introduced changes to the benefits integrity project to ensure that no decision to reduce benefit would be taken without seeking additional evidence. We are concerned, as is the hon. Gentleman, about those cases where a decision was taken without the benefit of the new procedure that was introduced on 9 February, and on which the claimant has not already sought a review of the decision.

We are considering options for reviewing those cases, but there are some legal and operational issues that we need to resolve as speedily as possible before deciding exactly how to proceed. I will, of course, ensure that the House is properly and fully informed of progress made.

Madam Speaker: That now puts the record straight.

Building Societies (Joint Account Holders)

4.1 pm

Mr. John Healey (Wentworth): I beg to move,

That leave be given to bring in a Bill to secure equal rights for second-named and subsequent-named account holders of building society joint accounts in respect of distribution of assets on the takeover or conversion of a building society.

I do so with the support of many hon. Members whose constituents have consulted them over problems caused by the legislation as it stands.

My Bill aims to amend the Building Societies Act 1986 to ensure that people who have a joint account but whose name is not the first on the policy are treated fairly in any future cash or share windfall when their building society converts to a plc. My Bill does not attempt to change the qualifying period for such bonus payouts. It does not alter voting rights, and it is not intended to be retrospective.

This afternoon is the first shot in a campaign to convince Ministers and the House of the need for change. There are 71 continuing mutual building societies in the United Kingdom, and they have around 16 million customers. Those societies argue that they offer their members higher saving rates and lower mortgage rates, and that mutual societies can take a long-term view on business because they are not driven by short-term shareholder concerns. Some of those 71 will, however, convert. Birmingham Midshires wants to. The Nationwide will vote again shortly on whether to do so.

I do not want people with joint accounts in such societies to be caught in the same trap as a divorced mother in my constituency, Mrs. Whittaker. Her ex-husband left six years ago. Since then, he has not paid a penny towards supporting their kids or paying the joint mortgage.

The Halifax would not allow Mrs. Whittaker to remove her ex-husband's name from the mortgage—although it was happy for her to take on alone the mortgage arrears and repayments. Last year, when the Halifax became a bank, Mrs. Whittaker's ex-husband received all the shares, which he cashed in, thereby pocketing £1,750. Mrs. Whittaker received no share of the windfall, although Halifax's chairman told me that the board thinks that its scheme is "fair and equitable". The Halifax has just reported first-year profits of more than £1 billion.

It would be wrong to point a finger only at the Halifax, as I have received hundreds of letters from people across the country about other organisations—such as Abbey Life, Northern Rock, Alliance and Leicester, the Woolwich, and others—which have acted in the same manner. Moreover, it is not difficult to understand why those companies have acted as they have. By restricting windfall shares to voting members—who are defined as the only or first-named person on an account—the companies increase the potential amount gained by those voting if the takeover or conversion proceeds.

Former building societies argue that they cannot extend bonus payouts beyond those who are voting members. However, last year, my hon. Friend the Economic Secretary to the Treasury made it clear in a letter to the National Association of Citizens Advice Bureaux that that legal excuse was wrong. She wrote:

"The Act does not compel a society which plans to convert to focus its distribution scheme only on voting members, nor does it prevent a society from making arrangements to take into account savers who for any reason . . . were not first-named on the account. The societies who recently converted could, therefore, have devised different schemes at the start of the process".

The Building Societies Association agrees. In other words, it is a matter not of can't but won't.

Nothing in current legislation prevents building societies from devising schemes that treat their account holders more fairly. However, nothing requires them to do so. My Bill aims to create such a requirement.

The Government are yet to be convinced of the need to create such a requirement. Their reluctance to accept the need for action stands in stark contrast to the rightly tough stance that they have adopted on the mis-selling of private pensions. On the building society issue, Ministers argue that trust law covers the problem, and that the courts offer the remedy. Court action has never been an option for Miss Whittaker.

Last week, in a letter to me, the National Association of Citizens Advice Bureaux stated that it was

"unrealistic to suggest that people who did not qualify for shares could pursue another named account holder in the courts. Many CAB clients"—

such as Mrs. Whittaker—

"are on low incomes and could not afford to use a solicitor to pursue a case. A small claim might conceivably be successful, but it would be extremely difficult to enforce any judgment. The Lord Chancellor has readily acknowledged the difficulties of enforcing small claims judgments."

My aim, therefore, is to create a general framework to ensure a fairer distribution of windfall benefits among joint account holders when their building society becomes a bank.

We require also an independent complaints mechanism to deal with individual cases that are grossly unfair or unjust. My Bill therefore attempts also to extend the legal competence of the building societies ombudsman. Currently, the ombudsman may investigate complaints about the operation or termination of accounts, but he cannot investigate the terms of a conversion; incorrect, misleading or incomplete advice on action to preserve benefits in a conversion; or the failure to advise on the effect of name order on a joint account. It is high time he could, especially as almost half the initial complaints that he received last year concerned conversions.

For the sake of fairness for the millions of joint account holders still with mutual building societies, I hope that the House will grant me leave to bring in the Bill.

Question put and agreed to.

Bill ordered to be brought in by Mr. John Healey, Ms Sally Keeble, Mr. Lawrie Quinn, Mr. Austin Mitchell, Ms Joan Walley, Mr. John Austin, Dr. Brian Iddon, Ms Rosie Winterton, Ms Gisela Stuart, Mr. Dennis Turner, Mr. Michael Wills and Mr. Ernie Ross.

BUILDING SOCIETIES (JOINT ACCOUNT HOLDERS)

Mr. John Healey accordingly presented a Bill to secure equal rights for second-named and subsequent-named account holders of building society joint accounts in respect of distribution of assets on the takeover or conversion of a building society: And the same was read the First time; and ordered to be read a Second time on Friday 3 July, and to be printed [Bill 182].

Orders of the Day

Finance (No. 2) Bill

(Clauses 1, 7, 10, 11, 25, 27, 30, 75, 119 and 147)

Considered in Committee [Progress, 28 April].

[MR. MICHAEL J. MARTIN *in the Chair*]

4.10 pm

Mr. Nick Gibb (Bognor Regis and Littlehampton): On a point of order, Mr. Martin. I refer to the point of order that I raised yesterday regarding the draft regulations in connection with clause 30, which were not available to hon. Members until yesterday afternoon, 24 hours after our debate on that clause. I asked the Deputy Librarian why the draft regulations were not there when the Government said that they had been placed in the Library. She sent me a note saying that the copies that were purported to have been sent to the Library had not yet been found and that they may have gone missing because the Treasury did not follow the relevant guidelines for submitting documents.

No Opposition Member is claiming that there was a deliberate move by Treasury Ministers to keep the documents away from us, but there is an element of neglect and carelessness, and I regard that as contempt of the Committee. Given that the Bill is packed with other clauses that will give rise to many other regulations, may I ask Ministers, through you, Mr. Martin, to confirm that, when draft or other regulations in connection with the Bill are published, they will send copies to each member of the Committee before they are placed in the Library?

The First Deputy Chairman of Ways and Means (Mr. Michael J. Martin): The hon. Gentleman's latter point is not a matter for the Chair. I can only repeat what I said yesterday. We have moved on from the clause that he mentioned, but the Minister will have heard his comments.

The Financial Secretary to the Treasury (Dawn Primarolo): Further to that point of order, Mr. Martin. The hon. Gentleman raised with me yesterday the point about whether correct procedures were followed. I have investigated the matter, and found that we followed the normal procedures. I have also asked him to send me the letter from the Library, and I will absolutely ensure that procedures are followed and that whatever happened to lead to the regulations being in the Library without Library staff being aware of the fact will not happen again.

Clause 119

TAPER RELIEF FOR CGT

Mr. Peter Lilley (Hitchin and Harpenden): I beg to move amendment No. 16, in page 109, line 18, column 2, leave out '25' and insert 'nil'.

The First Deputy Chairman: With this, it will be convenient to discuss amendment No. 17, in page 109, line 18, column 4, leave out '60' and insert 'nil'.

Mr. Lilley: The existing system of capital gains tax is horrendously complex, which, above all, is because of the indexing procedures, which protect investors from the consequences of inflation. The tax can also freeze capital that has been held long term and has made a large gain, which people are reluctant to realise. There was considerable attraction in scrapping indexation and replacing it with tapered taxes. I have floated such a scheme, subject to certain conditions, and the Confederation of British Industry and the Institute of Directors expressed interest in principle in the idea.

The Government's proposals, however, are running into increasing flak now that they have been published in the Bill. Hon. Members will receive representations from several sources attacking those proposals for a variety of reasons. Why has that happened? I believe that it is because the wrong sort of consultation was carried out on reform of capital gains tax. The Government asked for ideas, but people were not given a specific proposal to focus on or to get their teeth into.

I received a letter from a constituent who is a distinguished accountant, who writes:

> "The capital gains tax changes show the difficulty of moving directly from a very wide-ranging consultation exercise, for which the Government set no parameters, to an announcement of legislation with immediate effect."

It is extraordinary that the Government kept their basic proposals secret throughout the consultation and sprang them on us fully fledged—deus ex machina—in the Bill. We cannot give them the sort of consideration that a proper consultation would have allowed.

The proposals are a dog's breakfast, partly because the Paymaster General has, as usual, played a major part in preparing tax reform, which is his responsibility. He is not familiar with capital gains tax because most of his holdings, such as TransTec and so on, are in the Channel Islands and escape it. He can be excused; his vast business experience has given him first-hand experience of other taxes, but not of that one, so he is perhaps the wrong person to hold such responsibility.

A few weeks before the Budget, I tentatively suggested that a tapered system might be considered and that the key condition must be that the tax rate on assets held for a period, up to 10 years, for example, should come down to zero. Without that, capital gains tax would become a tax on inflation and on the rise in the value of assets, which merely reflected the deterioration in the value of money—in effect, a wealth tax.

That is what the Government put forward. Their proposal means that a person who held assets for 10 years would be liable to pay tax on 60 per cent. of the gain, even if inflation remained at the target rate of 2.5 per cent. He would pay about 0.6 per cent. per annum of his wealth to the Government in wealth tax. The proposal is of similar magnitude to the previous Labour Government's wealth tax proposals, which the hon. Member for Dudley, North (Mr. Cranston) is about to defend.

Mr. Ross Cranston (Dudley, North): When the right hon. Gentleman floated his idea, the press reported that City institutions were taken aback by the fact that he had reversed his previous stance. The press also expressed surprise about where he was going on capital gains tax generally, because he also floated the idea of abolishing capital gains tax. Will he tell us his policy on that?

Mr. Lilley: I saw no such reports. Many people welcomed my proposal, particularly at the prestigious

financial gathering to which I addressed it. Some leading firms of accountants also welcomed it. They welcome it all the more, now that they have seen the Government's failure to take into account the conditions that I specified and which the Government ignored.

Our amendments propose that the tax should come down to a zero rate for long-term gains. That is a reasonable proposition. I believe that several countries have zero rates for long-term gains. Such rates come in considerably earlier than would be the case if the phasing that the Government are proposing were to be implemented. They cannot suggest that this is unfeasible or impractical. Abolition would be a step in the right direction, because the one area where our taxes are if anything more onerous than they are abroad is taxes on capital. We should be moving in the direction of alleviating that burden, not adding to it. I fear that the Government's proposals will add to the burden of capital gains tax. I shall return to that shortly.

There is another bizarre consequence of the spectrum of rates that the Government have proposed. The total number of rates of tax that can apply over a 10-year period is measured in the low dozens as a result of the basic and upper rates of tax. For the first time, there are separate rates for business and private assets, and rates will vary from year to year. The consequence is that, over the medium term, the rate of tax that people pay on real gains could work out substantially higher than the current 40 per cent. Even in the longer term, that could happen if inflation is high or money gains are low.

If inflation remains at only 2.5 per cent. a year, people's private assets will have to increase by 5.2 per cent. a year for 10 years to have a lower tax rate than 40 per cent. on the real gain being made. If they make less of a money gain than 5.2 per cent. per annum over that period, they will pay a higher rate of capital gains tax than under the present system.

The system is worse still in the interim. When the assets have been held for only three or four years, people could pay a real rate of tax of 60 per cent. or more. Is that the Government's intention? Do they want to penalise people who realise gains in the medium term if those gains are comparatively modest? If so, why? I do not know whether the Financial Secretary or the Economic Secretary will reply.

Dawn Primarolo *indicated assent.*

Mr. Lilley: I am glad that the hon. Lady is noting down that question, and I look forward to her explanation of why this rather bizarre pattern has been incorporated in the Bill.

With the changes goes the abolition of retirement relief, which exempts entrepreneurs who have built up their businesses and sell them when they are over 50. That sensible reward for entrepreneurship is being entirely withdrawn. The result will be that people who make a real gain on businesses that they have built up and who otherwise fulfil the conditions for the relief will be worse off under the Government's proposals if the gain is £500,000 or less.

However, as the Forum of Private Business points out, at the other end of the spectrum, a business owner who makes a gain of £2 million on selling an enterprise will be £350,000 better off than under the present arrangements. The Forum of Private Business rather tartly comments:

"That is not the sort of redistribution of wealth that one might have expected from a Labour Government."

Again, we should like an explanation from the Financial Secretary.

Did the Government intend, or was it an accident, that their changes to retirement relief should result in a system whereby those who make small or modest gains in their business life have to pay more tax and those who make rather larger gains have to pay less tax? The Institute of Directors points out that it would be perfectly possible to vitiate that effect by changing the present structure of rules on the size of reliefs and the points at which they come in, from £250,000 and £750,000 slices to £100,000 and £300,000. Are the Government deliberately failing to do that, or did they just make another mistake of the sort with which we are becoming familiar?

There is a special transitional problem. Retirement relief is being phased out over the years 1999 to 2003, but the gain on a business asset cannot fall to 25 per cent. of the full gain until 2007 at the earliest. Therefore, there is a period between 2003 and 2007 in which one relief has gone, but its replacement—such as it is—has not fully arrived. That is an urgent problem for entrepreneurs who have planned to retire in that period. It should be solved by phasing out retirement relief—or preferably phasing it down to a new reduced level—over the period to 2007 and not to 2003.

That is the suggestion of the Institute of Directors, and I commend it to the Government for their consideration. I look forward to hearing Labour Back Benchers support the perversity of the changes, which clearly hit small business harder than bigger business and which have a redistributive effect that is the exact opposite of that for which we were led to believe Labour—at least, old Labour—stood.

The 30-day rule clearly was not thought through. It was designed to put an end to bed-and-breakfast transactions, whereby people sell shares and buy them back overnight in order to realise their gains and make use of their personal reliefs. The Government did not think it through and, within hours of the announcement, the City had come up with devices involving futures transactions that enabled those who are sufficiently well off to use such devices to circumvent the rule. Not everybody can do that, so it would be better not to have the rule, in the interest of fairness.

Not to have the rule would also be in the interest of operational feasibility. One of the principal companies involved in providing financial software—a company called Financial Software Ltd.—has pointed out that it is almost impossible to revise existing programming systems to cope with the new 30-day identification rule. The company states:

"From a technical perspective, the Inland Revenue seems not to have considered the effects of any corporate reorganisation within this new 30-day period identification rule. The implications are that large chargeable gains or allowable losses can be immediately crystallised and these effects are hidden to the extent that investment managers can find themselves caught out"

by such changes unexpectedly happening in a 30-day period when they are selling and intending to buy back shares.

[Mr. Lilley]

The Government appear to have created a system that cannot properly operate. My hon. Friend the Member for Sevenoaks (Mr. Fallon), the shadow Financial Secretary, wrote to the Paymaster General about that and other measures, and received a letter in reply that referred to the implications for married couples. The Paymaster General said that the 30-day rule will effectively not bite on married couples; if one of the individuals sells shares and the spouse buys them back within that 30-day period, they will not be caught.

It is heartening, to some of us who thought that the Labour Government were in the business of removing every recognition of the married state from the tax system, that bed and breakfast will be allowed to continue as long as it is in the marital bed, but it is odd, and we should like clarification from the Government as to whether that is intended and whether it will persist.

Mr. Tim Loughton (East Worthing and Shoreham): Does my right hon. Friend agree that the ending of bed and breakfast mitigates most harshly against smaller investors, for whom the capital gains tax allowance of £6,800 is all the more important, and that, effectively, if they are locked into a successful investment that they do not want to sell, they will lose their £6,800 CGT allowance? Should not the Government come clean and abolish the allowance altogether if that is what they intend, and appear to be trying to do through the back door?

Mr. Lilley: My hon. Friend is absolutely right about the unfairness and the increasingly apparent, almost characteristically perverse, redistributive effect of Government measures, such as the capital gains tax relief changes and the changes connected with the introduction of ISAs, which penalise smaller investors and smaller savers while relieving larger and top-rate savers. However, I regret the fact that my hon. Friend suggested that the logic of the Government's position is to eliminate capital gains tax relief entirely, because I fear that, once it is lodged in their head, the Government might find the idea irresistible.

Taken as a whole, the proposal is a dog's breakfast. It is a wealth tax by the back door, a tax on inflation and, almost certainly, yet another tax-raising measure. The Red Book shows a loss of some £25 million of revenue followed by an increase of some £25 million of revenue in the subsequent year, but there is no sign in the Red Book, or in the accompanying press release, of the long-term impact on capital gains tax revenues that is expected to result from the change.

Mr. Cranston: Has the right hon. Gentleman made any calculation of the revenue effect of his amendment?

4.30 pm

Mr. Lilley: One of the conditions that I specified in my original proposals, which effectively contained the amendment, was that there should be an attempt to introduce them in a manner that was revenue-neutral, if possible. I believe that that is possible, because a tapered system will encourage more transactions when the rate reduces to a more reasonable level, so revenues would rise, not fall. That is the sort of Laffer effect that one would anticipate in these circumstances.

However, we cannot make such calculations if the Government will not give us figures for the long-term consequences of their proposals. How can we calculate the revenue effect of the amendment, when it would amend something the consequences of which the Government have kept secret?

I want the Minister to tell us the long-term implications of the measure. I am not the only one who believes that it will be a revenue-increasing measure and a further tax burden; most accountants and experts to whom I have spoken arrive at the same conclusion, from their own estimates. However, we would welcome any clarification from the Government as to whether they have made any estimates of the long-term consequences of the changes; if so, we should like to know what they are.

Later we shall ask the Committee to vote on amendment No. 17, which effectively eliminates the wealth tax effect of the measure, by reducing the long-term capital gains tax rate to zero. I hope that, when the opportunity comes, hon. Members will join us in that vote.

Mr. Douglas Hogg (Sleaford and North Hykeham): I shall briefly support what my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) said, on the basis that I regard capital gains tax shorn of indexation as unjust and wrong in principle. In that regard, I differ slightly from my right hon. Friend.

I cast my mind back to Finance Bills in the early 1980s, when, for a short time, I was parliamentary private secretary to Sir Leon Brittan. At that stage, the pressure for indexation from throughout the House was intense. This was in a period of high inflation, and people objected intensely to paying tax on paper gains. I believe that that view permeated all parties in the House. I served on the Finance Bill Committees of the early 1980s, and I seem to recall that the Labour party strongly supported the proposal for indexation. Indeed, the criticism levelled at the Government of the day was that we did not backdate indexation further than we did.

I strongly disapprove of taxation on paper gains because it is unjust in principle; and anything that dilutes that principle is highly objectionable to me. *[Interruption.]*

The First Deputy Chairman: Order. I know that there are difficulties with these electronic pagers, but this is the second time that one has sounded off. Will whoever owns the pager take it and throw it outside the Chamber?

Mr. Hogg: I was about to say that there is a fundamental difference between the taper being argued for by my right hon. Friend the Member for Hitchin and Harpenden and the one being argued for by the Government. The taper argued for by my right hon. Friend has a nil rate for long-term holdings. That is a distinction not just of degree but of kind, because it obviates the charge of a wealth tax. If my right hon. Friend were ever in a position to abolish indexation—I hope that he would not—I welcome the fact that he would ensure a nil rate on the taper for long-term gains.

Mr. Barry Gardiner (Brent, North): Does the right hon. and learned Gentleman accept that doing away with

the tax, as he advocates, would erode the revenue base because it would spark a flight from income into capital, which in turn would have a deleterious effect on Government revenues?

Mr. Hogg: The hon. Gentleman overlooks the fact that we have had indexation of the kind for which I am arguing since the early 1980s. It is the Government who are seeking to change it. Left to my own devices, I would make no change whatever—with the possible substitution of a taper, but only in the event of indexation remaining.

My strong desire is to retain indexation. It is no answer to aver that we live in a time of low inflation. So we do, and a jolly good thing it is—it is the legacy of a Conservative Government—but we may not always live in times of low inflation. Inflation may rise. At that point, if these proposals are carried, people will have to pay tax on paper gains.

There are also a number of practical disadvantages. If a tax system is introduced which many people find intrinsically unjust, as they do when it comes to paying tax on paper gains, they will distort their investment decisions. I am against artificial investment decisions. There is also a great danger that people will enter into certain contrivances to avoid what they regard as an unjust tax. That will reduce the revenue yield, and it would probably be unlawful. For that reason, too, I oppose the idea.

Like many hon. Members, from time to time I have had to calculate capital gains with regard to the indexation tables. There is nothing unduly complicated about that. I am not a man for figures—in fact I am rather bad at them—but even I, armed with a calculator and the weekly schedule set out in the financial pages, have no difficulty calculating capital gains. But the taper calculation looks extraordinarily difficult. The consequence will be that people who would not otherwise be so driven will be driven into the arms of accountants—I did not know that that was part of the Labour party's policy—and that they will find extreme difficulty with the self-assessment that is now part of the tax regime.

I am therefore strongly against the payment of tax on paper gains. I believe strongly in indexation. It was introduced in the early 1980s to redress a real sense of injustice that was felt throughout the House. I have heard no argument in this place for changing the regime that we put in place in response to widespread public demand.

As my right hon. Friend said, the proposal will result in higher tax burdens for some people, probably—perversely—those with more modest holdings. It will drive people into the hands of professionals, whereas we would commend to the Treasury an approach simplifying the tax policies that we pursue. I hope that the Government will reflect further on their approach, and I should like to think that the proposal will be withdrawn.

Mr. John MacGregor (South Norfolk): I strongly support the amendment. I shall be able to do so briefly, as my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) has accurately presented all the arguments.

I say to my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) that I have always been in favour of tapering rather than indexation as a system for dealing with capital gains tax. I agree with him that there was a strong feeling, which I shared, about the fact that before indexation, we had tax on paper gains, particularly during the period of very high inflation under the previous Labour Government. I welcomed the introduction of indexation, but I thought that it was a complex system, and that, if the Government wanted to encourage investment for the longer term, as well as to simplify the system, tapering offered superior advantages.

The tapering system that I had in mind was rather different from the one proposed. However, ever since I left the Government in 1994, I have been arguing in Budget debates for tapering for capital gains, so I gave an immediate welcome to the Chancellor's comment on indexation when he announced it in his Budget. I thought that it would simplify the system. Also, the Chancellor said in his Budget speech, I think, and it was stated on the front of the Inland Revenue press release, that the reform would help investment through the encouragement of the longer-term holding of assets, by reducing the effective rate of capital gains tax on longer-held assets.

That is precisely what I had hoped for, but I was deeply disappointed when I read on in the Inland Revenue press release and discovered that the proposed system was nothing like the system that I had in mind. That, I can tell my right hon. and learned Friend the Member for Sleaford and North Hykeham, would have been much simpler, and rather similar to the tapering system on inheritance tax.

For reasons of simplification and taking into account the need for indexation, the system would perhaps have taxed at the going rate of tax—40 per cent. for the higher-rate taxpayer—for, say, the first four years that the asset was held, then at 30 per cent. and the equivalent of basic rate for a couple more years, and it would gradually have been phased out after the asset had been held for seven or 10 years. Such a system would have been simple to operate on both sides.

I discovered that the Chancellor was proposing an entirely different system. First, it has not simplified the system. My right hon. and learned Friend is right: we now have 18 different tax rates instead of the system that we had before. I agree that it will be extremely complicated to work out where one stands on self-assessment.

The proposal does not encourage the holding of long-term assets, which was the objective set out at the beginning of the press release and in the Chancellor's statement. In many cases, particularly for gains on non-business assets, the new system will be less effective than indexation. In the first 10 years, when there is the tapering of the percentage of the gain chargeable, it will entirely depend on the rate of inflation and the growth in assets whether the tax works out to be heavier than it would have been with indexation.

The press release points out that the taper compensates for the loss of indexation only when there is real asset growth of 3 per cent. and inflation of 2.5 per cent., after six and a half years for business assets and 10 years for non-business assets. If inflation returns to above 2.5 per cent.—I sincerely hope that it does not, but it must be a possibility, as that has been the case historically—the period will be longer. During that time, those who are making capital gains will pay more capital gains tax and they will not be fully indexed compared with the system that the measure replaces. I suspect that, in many cases, it will not do what indexation does.

4.45 pm

Secondly, the proposal will not provide an incentive to those who seek longer-term asset holdings. After 10 years, the equivalent of indexation that is intended in the tapering disappears altogether. Therefore, after an asset is held for 10 years, there will be no compensation for inflation—whatever the rate—and no indexation. I regret that this is an opportunity missed. The Government could have simplified the system and encouraged longer-term holdings, but they have not done so. Therefore, I asked myself why the Government have missed that opportunity. I found the answer in paragraph 4 of the annexe, which states:

"Various forms of taper were suggested to reduce the taxable gain over time, with many wanting it to operate over a short period and to reduce the gain to zero."

After 10 years, I think that it would make perfect sense to reduce the gain to zero. If we are to provide encouragement to longer-term holdings, we must provide some gain over and above inflation. It is perfectly reasonable to reduce the taxable gain to zero after 10 years. Why did the Government not do that? The next sentence gives the game away. It states:

"These suggestions did not, however, consider the effects that such a taper would have on the yield from capital gains tax."

That yield will be realised 10 years from now, and not in the next few years. Surely there could be a small reduction in the yield 10 years from now in order to encourage longer-term investment and to achieve the benefits that I envisaged from the tapering system.

Treasury officials have said, "Chancellor, we cannot allow any reduction in the yield from capital gains tax, so we must have a system that prevents that from happening." That is exactly what has happened, and it is a great pity. The Government have missed the opportunity to simplify the system and to encourage the genuine longer-term holding of assets. At least the amendments of my right hon. Friend the Member for Hitchin and Harpenden deal with the situation beyond 10 years, and thus they should be strongly supported.

Mr. Quentin Davies (Grantham and Stamford): I shall start by declaring a negative financial interest. As you know, Mr. Martin, I am, and have been for several years, the adviser to the Chartered Institute of Taxation, which comprises distinguished accountants and lawyers who specialise in tax matters. The Government's proposals in the Bill will undoubtedly greatly increase the demand for their services, and thus will be a positive move for members of the Chartered Institute of Taxation.

Were I to feel some conviction to speak in favour of the proposals, I should probably be prevented from doing so by the advocacy rules of Parliament. However, I have read the Government's proposals for changing capital gains tax, and I feel that I must speak strongly against them. That puts me in a negative advocacy position, and I hope that you will not rule that that disbars me from speaking, Mr. Martin. It may mean that, by the end of the week, I am no longer adviser to the Chartered Institute of Taxation—but I am sure that that will not trouble you unduly.

Like my right hon. Friend the Member for Hitchin and Harpenden, I have always supported the introduction of a taper—but on the principle that it will result in a lesser burden of capital gains tax than occurs under the present indexation regime. The one way of ensuring that that is the case is to determine that, after a certain period, there is a zero rate of capital gains tax. In other words, the taper goes down from something—presumably the appropriate marginal income tax rate of the taxpayer, and the same would apply if corporation tax were included in the proposal—to nothing.

Instead, the Government have brought forward a set of proposals under which we cannot know for certain whether the net burden on business, industry, investors, those who are trading as principals with business assets and those who have portfolio holdings of assets, will be lighter or greater than it is at present. That is because the proposed structure represents a gamble on the rate of inflation and on the real rate of return.

Sadly, we have come to the end of 18 years of Conservative government. We have become used to low inflation and high real returns on assets. That is a splendid thing for the economy. It is splendid also for those who have not yet come to own any assets that are likely to be the result of capital gains.

We must remember what happened when there was a Labour Government in the 1970s. We had extremely high rates of inflation, and for a number of years we had negative returns on several classes of assets as a result. The gamble that the Government propose to introduce into the tax system represents a pro-cyclical risk for the system. In other words, if things get bad—if they go from bad to worse, as they no doubt will do under a Labour Government—and real returns fall and inflation rates rise, asset prices will be eroded. There will be a reduced return on capital and a reduced incentive to invest.

The reduction in the value of assets will be further increased because of the application of this form of capital gains tax. That does not seem to be a sensible move to make. It is certainly not a reassuring move. The Government are putting forward to the House of Commons a tax regime that will make the country suffer even more from any mishandling of the economy by themselves than it otherwise would.

The new Labour Government lost the plot. Correctly, they picked up from various people, from the work being done in the academic world on the subject, opinion in the City and opinion in business, which we know that new Labour is so keen to conciliate. Not least, they picked up from the statements made by my right hon. Friend the Member for Hitchin and Harpenden and by others of us. When considering previous Finance Bills in Committee, as you will recall, Mr. Martin, I have supported the replacement of indexation by a tapering system. However, the Government have not realised that that makes sense only if the taper goes down to zero, and, strikingly, they have failed to do that.

The Government have not done their homework in many other respects. That is not surprising, because, as my right hon. Friend the Member for Hitchin and Harpenden has said, although this is a new Labour Government supposedly committed to open government and to consultation, they have not gone in for consultation. Of course they said, "Let us know what you think about capital gains tax." That is an open invitation. No doubt, there are people writing in to the Government constantly telling them what they should be doing about the regime for motor cycles, fast food, BSE or anything else. However, that is not consultation.

Consultation is when the Government, before bringing forward a proposal to the House of Commons, publish their proposal in draft to ascertain what those people who are likely to be affected by it, or others who take an interest in it—for example, the academic world, think tanks, the City and analysts—think of it. Thus, there is the opportunity for comment. The Government can then modify proposed legislation in response to the consultation exercise before bringing it forward to the House of Commons. That is how a sophisticated modern Government should operate, and that is certainly how to get better legislation than we have been receiving recently from the Government.

Mr. Cranston: I thank the hon. Gentleman for giving way, especially as I shall be a recipient of the Chartered Institute of Taxation's hospitality in the near future. I always hate to interrupt him in full flight and am always apprehensive about the sky falling in, because he gives so many reasons why it is about to do so.

Will the hon. Gentleman return to the point about calculating the precise effect? Is it not true to say that precise calculations can never be made because of the change in asset prices? Did not the right hon. Member for South Norfolk (Mr. MacGregor) rightly say that consultation had revealed a momentum in favour of the tapering proposal?

Mr. MacGregor: No, absolutely not—not in favour of this proposal.

Mr. Davies: My right hon. Friend tells me from a sedentary position that he strenuously denies that allegation, so I need say no more on the subject.

The hon. Gentleman does not understand the importance of incentives and risk in investment. That is a key issue. If people are to invest, they must feel that they will receive a rate of return that is commensurate with the risk. Anything that increases the risk of not receiving such a rate of return—that increases the risk of the return being negative, as the Bill does—is clearly a reason not to invest. To that extent, less investment will take place, resulting in less output and less prosperity in the future. That is not the new Labour Government's explicit objective, although it may be the indirect consequence to which some of their policies unfortunately lead.

If the Government do not listen properly to people, they will not fully understand the proposals that they receive. It is clear from the introduction of this taper that they have not understood them. When a Government decide on a proposal, they should put it out to consultation to see whether there are any shortcomings that they had not anticipated; otherwise, they will make avoidable mistakes. The Bill shows that the Government have made some extraordinary and blatant mistakes. Let me deal with one or two—or perhaps four or five—of them.

First, there appears to be a mismatch between the introduction of the taper and the withdrawal of indexation. Under the Bill, indexation will be withdrawn with effect from April this year, but the taper will not start to have an effect for another two years. The Financial Secretary is shaking her head. I shall give way to her with pleasure if she wants to intervene. From my reading of the Bill, it appears to me that, during the intervening two years, there will be no relief in the form of either the taper or indexation. That is extremely anomalous.

The Government say—we must believe in their sincerity—that they want to reduce the burden of capital gains tax. I have explained why they will not do so over time and why, in the immediate two-year period, they will increase the burden of capital gains tax. Those assets will not be reduced by the taper and the assets will not be eligible for indexation—*[Interruption.]* Does the Minister want me to give way? I was not sure about the hand signals that I was receiving. I was hoping that I had got it wrong and that she might have some good news for the country.

Mr. Douglas Hogg (Sleaford and North Hykeham): I think that it was a plea for help.

Mr. Davies: Perhaps my right hon. and learned Friend can rise to assist the Minister, who is leafing through her Red Book.

Dawn Primarolo: Get on with it.

Mr. Davies: I do not wish to try the Minister's patience, but she was shaking her head and implying that I had got it wrong. When I offered to give way to her, she did not want to intervene. I must therefore conclude that the anomaly to which I have drawn the Committee's attention exists and I have not misread the Bill. The Bill is so complex that I could easily have misread it.

The First Deputy Chairman: Order. I am sure that the hon. Gentleman does not want to try my patience, but he will if he talks about the Bill in its entirety, because the amendment is narrow and relates only to the tapering of capital gains tax.

5 pm

Mr. Davies: The margin for the debate that you allowed us yesterday, Mr. Martin, enabled us to cover the ground well and to have only one debate and one vote on the issue, which might not otherwise have been the case. I should be perfectly happy to speak in the clause stand part debate, but the amendment focuses on whether the taper should be reduced to zero. That is the heart of the issue, and I hope that any remarks relating directly to the taper will be regarded as within the amendment's scope, but I must be guided by you.

The essence of the issue is whether the taper replaces the existing regime and, if not, to what extent there is a mismatch between the two regimes. I have already said that there is a significant mismatch between the withdrawal of indexation and the introduction of the taper.

There is also a mismatch between the introduction of the taper and the withdrawal of retirement relief. The taper is being introduced over 10 years, but retirement relief is being withdrawn over five years. That produces the kind of anomaly to which my right hon. Friend the Member for Hitchin and Harpenden referred. Business assets that, under the present regime, benefit from business retirement relief would be subject to a higher burden of capital gains tax in the intervening period than larger capital gains that do not benefit from such relief. That is anomalous.

Someone who sells business assets for £250,000 or £500,000 at present pays no capital gains tax if the assets are eligible for retirement relief. By 2003-04, when business retirement relief will have been phased out, the

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effective rate of capital gains tax will rise to over 20 per cent.—a considerable burden—before falling back to 10 per cent., which is the Bill's target for the long-term capital gains tax rate for business assets. Where is the rhyme or reason in that?

The Government announced that the measure is good news for business, but it is not, and in the short term it is very bad news for many businesses. It will have a distorting effect because no one in his right mind will sell business assets during the next few years if he can possibly avoid doing so. It is extremely dangerous to introduce such distorting incentives into the tax system. I shall not digress on the damage that they can do to the economy. Clearly, in this case, people may hold on to business assets longer than is rational. Will the Financial Secretary tell the Committee whether that is an intended consequence of the Bill and, if so, what the rationale is for that? If it is not an intended consequence, what does she intend to do about it?

There is another mismatch between the introduction of the taper and roll-over relief, which the Bill apparently leaves unchanged. Proposed new section 2A(8), which defines the holding period, makes no reference to roll-over relief. I shall happily give way to the Financial Secretary if she wants to intervene to deal with this point now, but, if not, I hope that she will respond to it at the end of the debate.

Let us assume that someone has a business asset that he or she has held for, say, 10 years, and then sells a building used for business purposes. Let us say that that person rolls that capital gain over, under a roll-over relief regime, into the purchase of a new building, to be used for business purposes, and then sells that building after six months or two years—possibly involuntarily as a result of a compulsory purchase order by a local council, although that is not material to my question. In that case, would capital gains tax be charged at the full rate, without roll-over relief?

There is no reference in clause 119(8) to provision for roll-over relief, yet the purpose of such relief is that the new asset into which the gain has been rolled over should be treated as if there had been no change. It is sometimes necessary for businesses to dispose of certain assets and to buy others. They should not be inhibited by an enormous tax burden from making a sound business decision, or be penalised for taking such a decision. I see that the Financial Secretary does not want to intervene, but I hope that she will deal with that point.

Let me return to my introductory remarks. The Government have said several times that they are committed to simplifying tax; however, many opportunities to do so have not been taken. One would have hoped that getting rid of indexation and phasing out retirement relief would result in a reduction in the enormous complexity of Finance Bills, but I see no opportunity being taken to simplify the Taxes Acts, and that is regrettable.

Meanwhile, one opportunity is being taken greatly to increase the complexity of the Taxes Acts. Schedule 20, which is governed by clause 119, contains a definition of business assets that runs to more than four pages. Why did not the hon. Lady use the perfectly good definition of business assets in section 165 of the Taxation of Chargeable Gains Act 1992? Why did she have the parliamentary draftsmen write four new pages of complexity? That is, of course, splendid for the members of the Chartered Institute of Taxation, who will be paid large, and no doubt totally deserved, amounts of money for re-interpreting to its clients the hon. Lady's four new pages of definition, but why reinvent the wheel?

The administrative costs of taxation are another important, and related, point. I hope that the hon. Lady is aware of some of the economic costs of taxation. I hope that the new Labour Government are committed—at least in principle, even if they are too incompetent to do anything about it in practice—to trying to reduce the economic costs of taxation and its administration to the greatest possible extent. Again, some obvious opportunities to reduce the administrative burden of taxation have been missed; indeed—sadly—the opportunity has been taken to increase the burden.

Taxpayers are going to have to maintain indexation records for their assets, which have to go back to 1982 if they are to claim indexation relief up to April 1998. They will then have to work out the taper from then on. My right hon. and learned Friend the Member for Sleaford and North Hykeham said that he found his indexation calculations quite easy; I admire that, but I have always admired Queen's counsel and luminaries of the bench, who no doubt have abilities not granted to lesser mortals. I must say that I find my indexation calculations a little more difficult.

The taper calculation looks like being even more complex, as there is no provision for pooling. One will have to keep an exact record of the date on which one bought each share. There is no system for averaging out. The worst thing of all is that one must now do both indexation up to April 1998 and a taper calculation on an individual security, or purchase and sale, basis from that time on. The hon. Lady has succeeded in doubling, or trebling, the administrative burden at a stroke.

That is, again, wonderful news for the Chartered Institute of Taxation. However—although I may not be forgiven in certain quarters for saying so—I cannot believe that that is a good thing for the taxpayer, the economy or the country as a whole. It is extraordinary.

I have a suggestion for the Minister which she may already have considered, in which case I should like to know why it was rejected. Why did she not use the opportunity of the Bill to re-base asset prices, ideally on this month? If that did not suit, she could have brought them forward from 1982 to 1992. Perhaps she will say that the cost to the Revenue of doing that would have been great, but I would find that difficult to accept in view of the relatively low yield of the tax.

What would have been the Revenue cost of adopting my suggestion? Her officials who made the calculations and offered her advice were not doing a proper job if they did not make that calculation. People ought to know the cost of re-basing asset prices at April 1998. Against that, we shall judge whether it was reasonable not to re-base because such a move would greatly lighten the administrative burden on the taxpayer.

The Government have made brave declarations. They have said that they want to help business, to have open government, to consult and to reform capital gains tax. Those are splendid aims, and I am not the only Conservative to urge a reform of capital gains tax.

Therefore, it would be wrong not to welcome that basic intention. However, in carrying out the reform, the Government have made endless mistakes and created perversities, and the result is that things are worse than when they started. That is worrying, and I shall draw attention to such matters throughout the Bill. I shall not mention them now because I do not wish to fall foul of the reasonable regime that has been established for the debate. Sadly, the theme cannot be avoided in the Bill, and it vitiates the whole of this far too long, complex and fundamentally inept measure.

Mr. Loughton: I support the amendment. As my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) has said, the changes that are proposed for capital gains tax are the biggest dog's dinner in the Bill. Although the amendment is not the ideal solution, it is the only obvious way to pull something from the fire.

When the Paymaster General introduced ISAs last year, he said that they were a test for financial products and financial innovation. He said that they should adhere to simplicity, flexibility, accessibility and fairness. I shall show that the taper relief proposals fail dismally on all those counts.

As my hon. Friend the Member for Grantham and Stamford (Mr. Davies) has told the Committee, the Financial Secretary has said that the Budget changes in capital gains tax will lead to eventual simplification of the current system. She did not qualify what she meant by eventual, but the changes are certainly far from simple. Capital gains tax clogs up the capital markets because it disadvantages the switching of capital to investments in which it can be used most effectively. That was one of the reasons for gilts being exempted from capital gains tax in 1969. If, as the Government constantly say, they are intent on promoting savings through new products, manipulating capital gains tax in the way that they propose will not achieve that—far from it.

5.15 pm

Capital gains tax is not only inefficient, but one of the most expensive taxes to collect. Last year, it raised about £1.4 billion, inheritance tax brought in about £1.7 billion, VAT £51 billion and corporation tax £31 billion. The cost of collecting capital gains tax was more than 4 per cent. of the revenue that it raised, compared with a charge of 0.7 per cent. for inheritance tax and 2.1 per cent. for income tax. It is an inefficient and expensive tax for the Revenue to raise, and it is expensive for people to work out. It will cost people even more to work it out in future.

My first concern is that the proposals are unduly complicated. Currently, capital gains tax is charged at three different rates. As we have heard, the new taper will effectively introduce 18 different levels for a personal capital gain on which the three rates will be levied. That will require much more complex record-keeping and careful identification of when purchases are made, where equity shares have come from, and when rights issues and scrip dividends were taken up. There will be much more complex treatment for brought-forward losses.

As the Association of Private Client Investment Managers and Stockbrokers has said:

"Now disposals after 5 April 1998 will be identified with acquisitions in the following order: same-day acquisitions; acquisitions within the following 30 days; previous acquisitions after 5 April 1998, latest first; shares in the pool at 5 April 1998; shares held at 5 April 1982; shares acquired before 6 April 1965."

The system is exceedingly complicated, and, it will be expensive for private client investors to work out. As my hon. Friend the Member for Grantham and Stamford has said, it will be welcomed only by the accountancy profession and the designers of computer software.

However, a conference of software manufacturers in the finance industry and tax specialists that was held last week, and which was reported in the *Financial Times* of 22 April, admitted defeat. There are so many "what ifs" in the proposals that it will be impossible in the foreseeable future to produce software programmes to make the calculations. They will have to be made manually by costly professional advisers at a time when private investors have the added complication of self-assessment.

The proposals are not fair. The new taper rates do not compensate for the abolition of indexation. For example, £1,000 that is invested now for the next 10 years will be worth £1,248 on the basis of the Chancellor's 2.5 per cent. inflation target over that time. Currently, no capital gains tax would be payable, ignoring the allowances. Under the new proposals, indexation will no longer apply, the 24 per cent. rating will come in for higher rate taxpayers, and a tax bill of £59 will be payable. That is tax not on a gain, but purely on inflation, if it adheres to the Government's target.

Over the past 10 years, indexation has been about 0.541, which is more than double the Government's annual retail prices index target. Scottish Widows has calculated that, on an investment of £100,000 with inflation at just over 5 per cent., which is reasonable over the past 10 years, and growth of about 8 per cent., which is not unreasonable in the light of what has been happening in the markets over the past few years, the tax charge would be £9,100 higher after year seven, or £6,600 higher after year 10, ignoring the annual exemptions, under the new proposals. The proposals will result in a serious hike in tax liability for many investors.

Mr. Gardiner: The hon. Gentleman makes much of the fact that the proposed system will be much more complex. Has he made similar calculations about the complexity that would be left in place by the amendment?

Mr. Loughton: I do not agree, for two reasons. First, the incentive provided by the tapering of the capital gains tax down to zero would more than outweigh the additional work that would be necessary in calculating the taper rates—that would be a big advantage. Secondly, like my hon. Friends, I want a far simpler system. The amendment was tabled because the proposals are a dog's dinner. We want capital gains tax eventually to be phased out, as we believe that it penalises long-term entrepreneurialism and long-term investment. The amendment would make the proposals eminently fairer, and we hope that the Government will accept it.

The proposals are also highly unfair because the brought-forward losses will now be matched against the most recently acquired stocks—in other words, those with

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the smallest taper rate. The investor will lose yet again. The thrust of the changes is to impose a straitjacket on investment—even more than previously, the tax tail will wag the investment dog. There will be a severe straitjacket on prudent investment—we heard that phrase no less than 17 times during the Chancellor's Budget statement—and severe extra costs will be imposed on investors, especially on smaller ones.

There seems to be a new attitude that tax reliefs generally, such as the CGT allowance, constitute tax avoidance. We should not forget that, by abolishing indexation, the Government are devaluing the CGT allowance. That is also the implication behind the abolition of bed-and-breakfasting and retirement relief. Like the original ISA proposals to abolish PEPs, the changes are an insidious version of retrospective taxation. The harshest terms will fall on those coming up to retirement, who are least able to re-orient their finances to provide for later life as they have fewer earning years left.

What is wrong, for example, with a private investor buying shares in British Petroleum, which is a blue-chip United Kingdom company, holding on to them for two years, 11 months and 30 days, and then reinvesting the proceeds—presumably, the original book costs plus some profit—into another blue-chip company, such as Glaxo, or a unit trust, for seven years and one day after that? Why is that any worse than an investor buying BP shares on day one and locking them away in a cupboard for the entire 10 years? I hope that the Financial Secretary will answer that. We want flexibility in investment, but the proposal militates against that by imposing taxation constraints on sound, prudent investment judgment.

Mr. Quentin Davies: My hon. Friend asks an extremely pertinent question, to which I hope the Financial Secretary will give a clear answer. Does he agree not only that it is perverse to penalise the investor who—I use my hon. Friend's example—is in BP for two years and then moves into Glaxo, rather than someone who stays in Glaxo or BP for the whole time, but that the proposals are unfair to those who believed that their assets would be subject to an indexation regime, but find that, in the next two years, they can benefit from neither past indexation relief nor future taper relief? As well as being perverse, unfair and economically irrational, is not that retrospective taxation?

Mr. Loughton: My hon. Friend is absolutely right—the next two years will be a no-man's land for many investors. The changes would have had a shred of credibility if the Government had backdated the tapering relief to take account of more of the 10 years, and not applied it to day zero or to a two-year period, when the first 5 per cent. taper kicks in.

Mr. Gardiner: I appreciate the hon. Gentleman's giving way for a second time. In response to his challenge about an investment that is held for two years, 11 months and 30 days and then rolled over into a further investment for the rest of the 10 years, may I ask him whether it has escaped his notice that the amendment would provide a bigger incentive to maintain the same investment for the full 10 years than is proposed in the Bill?

Mr. Loughton: The hon. Gentleman has missed the point, as there would be a zero capital gain at the end of the taper. Moreover, we do not want to abolish bed and breakfasting. The amendment would allow people to maintain the same good investment by using a perfectly legitimate taxation tool. It would also allow everyone to take advantage of the CGT allowance that the Government are retaining. The hon. Gentleman has the wrong end of the stick.

As the Association of Private Client Investment Managers and Stockbrokers said, the CGT changes will merely replace one complicated issue with another. It is difficult to find any of the simplification that individuals want and that the Financial Secretary seemed earlier to promise—the 18 new rates of capital gains tax do not represent simplicity.

Moreover, the innovation will be costly. From April 1999, there will be five levels of income tax—20 per cent., 23 per cent. and 40 per cent., as well as 10 per cent. and 32.5 per cent. on dividends. The Government want to attract millions of virgin investors into savings, but the plethora of extra record keeping that will be required hardly represents an incentive. The changes are not fair, as indexation abolition is not being compensated for by the use of tapers.

Mr. Geoffrey Clifton-Brown (Cotswold): I apologise if this point has been made—I was not here during the opening speeches, as I was upstairs in Committee—but does my hon. Friend agree that, as people are being encouraged to complete self-assessment tax forms, they will be driven by the changes into taking professional advice? The new rules will be outwith their capability.

Mr. Loughton: My hon. Friend is absolutely right. I fear that the implication is that people will be deterred from making individual investments, as they will either have to cough up for professional advice, or make a mess of it—that is most unfair.

Mr. Cranston: Will the hon. Gentleman give way?

Mr. Loughton: I shall in a moment, as it is always a pleasure to give way to the hon. Gentleman, but I want to make a few final points.

The use of losses will be less attractive in the future, but it is also highly unfair that the details of the Bill were not published until after the end of the financial year. Many practices were abolished on Budget day, so that investors had no opportunity to re-orient their investments. It is unfair that future investors should be penalised for an inflation rate over which the Government have no control—they have given it up to the Bank of England committee to determine as a target, and if the committee is wrong, the investor loses twice.

Mr. Cranston: Is it not also possible that investors will move into collective investment schemes, which not only would avoid some of the problems that the hon. Gentleman mentions, but could be advantageous for other reasons? Perhaps his background and the people with whom he associates distort his view of the ordinary investor, many of whom may indeed invest in collective schemes. While I am on my feet, may I also ask him whether he believes in capital gains tax at all?

Mr. Loughton: That was the most bizarre jumble of accusations. I worked in the City for 14 years, and dealt

with private investors ranging from the very poorest to the better-off—*[Interruption.]* Our doors are open to everyone—to people who save as little as £25 a month and to those who save a lot more. I have had experience of running not only individual equity investments, but pooled funds, which stand to gain from the complication that is being imposed on individual equity investment, so perhaps I have a more broad-based view and more expertise than the hon. Gentleman, who has been locked in the ivory towers of more legal academia, and perhaps has not got his hands dirty in the matter of making money, making people more wealthy, and contributing to the wealth of the nation and to future savings.

As I said plainly, capital gains tax is a penalty on enterprise, risk taking and long-term investment. Ideally, as we said clearly before the election, we would like CGT to be phased out eventually, but we realise how complicated and complex that would be. The Government did not realise that, and have fallen entirely into the trap of making an already complicated system far more complicated and costly to manage.

The Government's proposals fail on those counts. They are not at all flexible and accessible. They severely curtail the powers of the private investor to choose investments that are in his or her best interests. It is not in the best interests of a saver effectively to lock away an investment in a cupboard for 10 years and to forget about it. The proposals militate against prudent long-term investment, which I thought this Government were all about. I therefore support the amendment. It is one way out of a complete and utter dog's dinner.

5.30 pm

Mr. Howard Flight (Arundel and South Downs): I also support amendments Nos. 16 and 17, as they would at least prevent the Government's proposals from amounting to a wealth tax, and would bring some justice and fairness to them. Before the election, I lost count of the number of times that I heard the present Chancellor of the Exchequer stress that he wanted fairness in his tax proposals, but, like others, my biggest objection to the clause is that it is extraordinarily unfair in the way in which it will bite, as well as extraordinarily complicated.

What is the objective of the changes? Are they a back-door way in which to bring in a form of wealth tax? If the objective is to simplify the capital gains tax regime, what is coming seems murderously complicated. Have the Government misunderstood quite a lot of the thinking that is going on? It would have been much fairer and less complicated if things had been left as they were. The changes will replace one reasonably complicated system with one that is even more complicated.

I will pick up on a few specific points that seem unsatisfactory and unfair. What is the logic of introducing such a disadvantage to investors who hold investments for up to three years? Why is it that they used to enjoy indexation relief and now will receive no relief whatever for three years? What is the logic of the three-year period before the taper starts?

What is the logic of last in, first out for the purposes of the calculation of gains? That can turn out to be extremely unfair, particularly for staff working for companies, where they do not qualify for business assets arrangements as they do not have anything like the 5 per cent. of ownership for directors. However, where people add to shares, it is often in the context of the companies for which they work.

I echo the, if you like, reverse or negative advocacy point that was made by my hon. Friend the Member for Grantham and Stamford (Mr. Davies). As someone who remains a director of a business that runs collective investment schemes, I believe that the proposals are a godsend to the industry. They virtually force ordinary investors to use collective investment schemes. I think of retired people who get some enjoyment out of managing their capital after they have retired. Why should a gun be held to their heads by saying, "You have to use a collective investment scheme or you are going to have to deal with a murderously complex and unfair regime"?

The point has been made that the transition arrangements are grossly unfair, as is the principle of abolishing retirement relief. If we want a vibrant economy, we should encourage entrepreneurs. I mourn the number who have already left these shores since the Government came into power—there are echoes of the previous Labour Government's term of office in many British entrepreneurs' reactions to many of Labour's tax changes.

The crucial question has been asked: what happens if inflation rises? There is no guarantee that inflation will stay at 2.5 per cent. per annum. What is the logic of the arrangements for qualifying for business assets? We shall increasingly have a society in which many people own shares in the businesses for which they work. There is the requirement that a director should own 5 per cent., which is focused at the upper end of society. The business asset rules are not going to be of any benefit to the great and growing number of ordinary employees who we all want to see owning more shares in the businesses for which they work.

My vision overall of capital gains tax is that it should apply only when capital gains fall into consumption. When assets are swapped from one investment to another for perfectly good reasons, whether by businesses or by individuals, those people do not in any way realise and enjoy a gain. A route to cast capital gains tax in this direction and to stop people converting income into capital gains, which is the objection to its abolition, should be the goal for everyone, but what we have here seems far away from such a goal. There is a hidden agenda for a substantial wealth tax, which will cost individuals and the Revenue a fortune to calculate.

Another hon. Member has suggested that, if we are going to have a change of regime, at the least, there should be a case for rebasing, as in 1982 when indexation was introduced. We could go forward from there, but we should not have two different bases to calculate capital gains tax. There are not only 18 rates, but two completely different sets of calculations for everyone to have to carry out.

Like others, I believe that, at the least, the proposals would be much fairer and have much greater logic if they followed all the suggestions of those who advocate tapering, the point being to bring the taper down to zero. Then, to some extent, no matter what happened, there would be potential fairness and benefit, even though many of the disadvantages would still be left on board.

I do not see what the Government's objective is. They are introducing a system that, for everyone involved, is infinitely more complex and random than that which they

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seek to replace. It leaves investors, whether they are companies or individuals, with greater uncertainty and greater penalties against managing their investments. It is an unnecessary gift to the providers and forces individuals to use collective investment schemes. Why should the Government want to achieve those objectives?

Mr. Nick St. Aubyn (Guildford): Like many Conservative Members, I find these new Government proposals confusing. Although I should perhaps declare an interest, since clause 119 could affect certain assets that I own, I am not at all clear whether it will be to my benefit or to my detriment. I am sure that many investors will be in the same situation. Sadly, however, some groups of investors will almost certainly be worse off. That is the main reason why I support the amendment.

Earlier in the debate, hon. Members were asked whether capital gains tax was itself wrong. The question is very easy to answer: yes, of course capital gains tax is wrong. It is wrong in principle because it is a form of double taxation. It is taxation either of inflationary, paper gains or of real gains—which represent an expectation that an asset that has gained in value will in future yield a higher income. As long as there is corporation tax and income tax, that higher income will be taxed regardless of a capital gains tax. Capital gains tax seeks simply to tax that income even before it has arrived. It is therefore also a speculative tax.

Although some form of capital gains tax has proved to be necessary in modern economies, in most economies it is levied at a lower rate than in the United Kingdom, and with rules which are easier to understand and more flexible, and which do not deter or pervert normal business decisions. In the United Kingdom, capital gains tax distorts normal business decisions, and that distortion will increase greatly as a result of the Government's proposals in clause 119. Avoiding such distortion is the justification for exempting gilt investments from capital gains tax, although the principle applies equally to almost all classes of investment.

An array of anomalies is generated by introducing a taxation system that is fundamentally flawed—as the clause certainly is. As Conservative Members have said, it would be anomalous for an investor's losses to be set against total gains made in the same year by disposing of another asset, and for the tapering provisions to apply only if there is a residual gain. The provision will greatly limit investors' ability to offset losses against gains, and perhaps reflects the fact that the Government have not thought their policies through. Amendment No. 16 would mitigate the problems, and would rightly—at least in the long term—reduce capital gains to a zero rate.

In the absence of the amendments, the Government's pooling proposals would provide a real incentive to those who accumulate a holding in a specific asset class or company's shares and who have decided to dispose of some of that holding to dispose of it all; in that way, investors would receive the full benefit of tapering relief and would not suffer from the discrepancies of the last-in, first-out rules that the Government propose. Far from encouraging people to hold assets for the long term, the Government are encouraging people to make a quick sale when they decide to sell any of their investment.

We have already heard about the redefinition of business assets—a severe restriction and tightening of the previous definition. The definition will also become more complicated. Far from being members of a Government who are in favour of helping small business, Ministers are yet again hitting small businesses, by introducing new rules that remove exemptions that many small business people might have expected to continue enjoying.

Phasing out retirement relief is another aspect of the Government's proposals. Another perverse consequence of those proposals is that someone who qualifies for any form of retirement relief would be well advised to dispose of their entire business this year rather than holding on to it for another few years. In any of the subsequent 10 years—arguably, even at the end of those 10 years—such business people will be penalised unless our amendments are accepted.

The Government's proposals contain other anomalies. Anyone looking for what might be regarded as a safe asset who invests in a high income-producing asset that manages only to track inflation in the long term will know that, at the end 10 years, they will suffer tax at a rate of between 10 per cent. and 24 per cent. on any paper gain made on that investment. Such taxation is confiscatory, recalling the old Labour system and the very worst aspects of capital gains tax, and poses the question why the Government have not followed the example of their Conservative predecessors.

When the previous Government introduced indexation relief, we realised that some individuals with long-term holdings and assets might be adversely affected by the new rules. We therefore made it possible for them, if they preferred to do so, to use the old tapering rules, which were introduced in 1965, in calculating their capital gain.

Since the Government have made the system so complicated, why have they not at least given investors the option, when disposing of an asset, of continuing with annually upgraded indexation relief or of switching to the tapering relief system? If they did so—thereby mildly increasing the complication of an already very complicated system—investors would know that the 1998 tapering provisions would be beneficial, and would not penalise their safe and prudent investment policies.

5.45 pm

I think particularly of those in the farming community. The Government have in so many ways attacked those living in rural areas. Only yesterday, in their vicious increase in petrol duty, we saw another example of that attack. Without the benefit of the amendments, anyone who owns a farm in a rural area will find that the new tapering rules do severe damage to the long-term value of their holding.

When those who have farmed all their life dispose of a farm holding to retire, they will be faced—thanks to the Labour Government—with a tax bill, even though in the past 15 years, much farm land has under-performed the inflation rate. Under the old rules, they would not have faced any capital taxation on retirement.

Formerly, it was said in the farming community that farmers hope to live under a Labour Government but die under a Conservative one. Now they cannot even afford to retire under a Labour Government. I think that the farming vote is already waking up to the dangers of the Government, and will be even more alive to the effects of the Government's actions.

Another anomaly of the Government's proposals that has already been mentioned is that, whereas someone investing in and holding a unit trust for 10 years will enjoy the benefits of tapering relief, someone owning individual shares will not enjoy that benefit to the same extent. There is therefore a missing component in the Government's proposals. Although our amendments go some way towards supplying that missing component, we will not create a fairer capital gains system—if we are to have one at all—until we establish a general principle of roll-over relief for those investing in a share portfolio.

If Ministers are not prepared to accept amendment No. 16, they should seriously consider providing general rollover relief for those with share portfolios, so that those who, as my hon. Friend the Member for Arundel and South Downs (Mr. Flight) said, enjoy managing their own share investments will enjoy the same tax regime as those investing in unit trusts. A greater element of fairness in the matter is demanded, but clause 119 does not provide it.

Mr. Gibb: I support amendments Nos. 16 and 17.

The press release heralding the capital gains tax reforms announced in the Budget was quite ironic—indeed, it would have been funny had it not been dealing with such a serious matter. It stated that the reforms

"will stimulate interim entrepreneurial activity by rewarding long-term investment in business."

What many people missed in March when listening to the Chancellor make his Budget statement was the fact that coupled with the introduction of tapering relief was an announcement that retirement relief would be phased out over the following five years and abolished entirely.

People retiring today with a £250,000 gain would be exempt from tax, but when the new system is fully operational they will pay tax at 10 per cent., so they will have a bill for £25,000. How does that help entrepreneurial activity? The charge will rise to 22 per cent. in 2004, when retirement relief will be fully phased out, but when the tapering will not be fully effective, having had only five years to elapse.

The provisions seem to penalise the smaller investor, who will have put all his resources into his business and probably will not have any spare cash for a pension fund: it will be ploughed into building up the business, which he will then be expected to sell on retirement to provide the capital sum out of which he can purchase annuities to secure an income in retirement.

Mr. John Hayes (South Holland and The Deepings): With typical generosity, my hon. Friend sounded a note of surprise when he said that the provisions "seem" to do that. Is there not a consistent theme in the Government's two Budgets of attacking savings, and the small investor in particular?

Mr. Gibb: I am grateful for that wise intervention. It is true: the first Budget abolished the repayment of tax credits, thereby confiscating the capital value of pensions, and the second contains this confiscatory measure, which will attack the capital that people are relying on for their retirement.

The Government are doing that not only from vindictiveness but because they regard those capital sums as easy pickings to be spent when the spending moratorium ends and they can try to win the next general election with a large spate of spending.

The measures will amount to retrospective taxation on the entrepreneur who sells his business on retirement. His pension fund, which he hoped to be able to rely on and had assumed would be tax free, will be taxed and reduce in value. It is ironic that the proposals penalise the smaller entrepreneur much more than the large entrepreneur.

Mr. Cranston: Is not the logic of the hon. Gentleman's position that such a person, if he retires at 65, has become an entrepreneur only at 55, because the whole thrust of the proposal is to give the full relief after 10 years?

Mr. Gibb: I do not follow what the hon. Gentleman is saying. The provisions announced by the Government do not give anyone full relief. The tax reduces no further than 10 per cent. The amendment is designed to redress the errors created by the Government and give people full relief after 10 years, so that the damage caused by abolishing retirement relief and introducing the tapers can be undone to some extent.

Mr. St. Aubyn: Has my hon. Friend noticed that, with the 10 per cent. factor, someone would have to realise a gain of more than £1 million to be even slightly better off as a result of the change? It is another Bernie.

Mr. Gibb: Indeed. My hon. Friend has anticipated, in his usual witty way, the point that I was about to make. Someone with a gain of £250,000 will be much worse off under the new regime, but the person who makes £500,000 will be better off in 10 years' time, although he will be penalised in the transition period. Those with a gain of £1.3 million will be better off throughout.

The measure will not boost or help entrepreneurship or long-term investment, as suggested in the press release. As always, it will do enormous damage to the small entrepreneur trying to make a living in a difficult and competitive world.

The press release made another ironic statement. It said:

"The changes will lead to simplification of the CGT system."

If that is the case, why, as my hon. Friend the Member for East Worthing and Shoreham (Mr. Loughton) said, did the *Financial Times* report on 22 April that the Bill makes capital gains tax so complicated that software houses cannot write the software to calculate the tax liability. Software houses have access to all the expertise and can pay all the fees to accountancy and law firms to get the right advice, so if even they cannot calculate the liabilities, what hope is there for the ordinary taxpayer trying to fill in his self-assessment tax return?

In evidence to the Treasury Committee, Andrew Dilnot said:

"My specific concern is capital gains tax where I am almost lost for words."

He went on to say:

"The capital gains tax reform does not, it seems to me, make the system more straightforward. It introduces a whole series of new barriers within the tax system, distortions."

How does that sit with the statement in the press release that the changes would lead to a simplification of the CGT system? The Select Committee, which is an all-party body dominated by Labour Members, reserved its most

[Mr. Gibb]

scathing criticism for the measures on capital gains tax. Paragraph 43 of the conclusions of its report on the Budget says:

"Our experts were critical of the changes made. Mr Troup could see little to justify why a gain made after ten years should be treated differently from two gains made over five years each, one after the other. As he put it, 'The incentives which the taper will create are very unclear.' He was concerned that the failure to deal with companies' capital gains at the same time 'leaves further distortions and anomalies now, with more to arise in the future'. Mr John Hills of the Centre for Analysis of Social Exclusion foresaw the growth 'a new tax avoidance industry,' with conversion of income into capital gains."

The Select Committee—in bold type—concluded:

"We regret that the capital gains tax proposals were not included in the Pre-Budget Report. we recommend that the Treasury should give urgent attention to reducing the complexity of the new system of tapers."

How can the Government claim that the CGT reform is simple, when it applies to individuals, partnerships and trusts but not to companies, which will continue to use the old rules; when it has 14 different tapering percentages of gain to be applied across at least five rates of tax; and when it introduces the new concept of business or non-business assets, with all the complexities that such definitions bring?

As my hon. Friend the Member for Grantham and Stamford (Mr. Davies) said, why did the Government introduce a whole new set of definitions, taking up four pages of a schedule, when they could have used other definitions that have been in the tax system for many years?

How can a system be described as simple when it keeps the old system not only for disposals made before Budget day but for those made after that day but relating to assets held before April this year? Indexation allowance continues to be available for gains made up to April 1998, but from that date only the tapering rules apply. There are new rules on pooling. The system is so horribly complicated that no one subject to self-assessment should even consider preparing a capital gains tax calculation without taking professional advice. How can that be right? How can a tax system be run in that way? How can it be a simplification?

As my hon. Friend the Member for Guildford (Mr. St. Aubyn) said, the new regime penalises those who invest in safe and low-yielding assets, to the advantage of those who make rapid and large gains. Without indexation allowance, someone investing in safe assets that increase in value only slightly would have paid virtually no CGT under the current regime, but will now have to pay 10 per cent. or 24 per cent. on a gain resulting solely from inflation. By contrast, a rapidly appreciating asset is likely to result in a much lower tax than under the current regime.

The Government are coy about whether the reforms are tax-yielding or tax-revenue-neutral. The press release states that the reforms are expected to have a negligible cost in 1998–99; to cost £25 million in 1999–2000; and to yield £25 million to the Exchequer in 2000–01, but for later years

"the Exchequer effects will depend to a considerable extent upon movements in future asset prices, any behavioural changes by investors and other factors."

'Twas ever thus. That caveat could be applied to all yield estimates arising from changes to taxation. These reforms are no different, except that most commentators believe that they will raise money for the Exchequer in the medium term. This complicated reform of the CGT system is yet another of the Government's stealth taxes.

6 pm

The consultation process, to which my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) referred, should involve not only the inviting suggestions for reform—I understand that the Government received 171—but a discussion of the proposals. The press release states:

"Various forms of taper were suggested to the Government to reduce the taxable gain over time, with many wanting it to operate over a short period and to reduce the gain to zero."

Mr. Loughton: Is my hon. Friend aware that the Government have published the results of the consultation and put them in the Library—which they promised, but have so far signally failed to do, with the consultation on PEPs and ISAs? Is it fair for Ministers constantly to refer to consultation responses without those responses being available to hon. Members?

Mr. Gibb: My hon. Friend makes a worthwhile point. I hope that the Financial Secretary will reply to it, because it would be useful to know what people are saying about the reform of the capital gains tax system. According to the press release, a number of representations suggested a tapering system that reduced the rate to zero, as the amendment proposes. It would be interesting to discover how many of them support the amendment.

The press release says that the representations

"did not, however, consider the effect that such a taper"—

down to zero—

"would have on the yield."

The reforms are clearly not about simplifying the tax system, because they will complicate it hugely. Nor are they about encouraging entrepreneurs and long-term investments; they are yet another tax and yet another method of increasing the yield for the Exchequer.

The final paragraph of the press release is even more revealing:

"Some representative bodies found it hard to comment in detail and asked for further consultation as proposals developed. The Government agrees that more detailed consultation may be appropriate on certain issues, but felt that it was not needed for the structural changes that are proposed in this Budget to encourage enterprise and long-term investment by individuals."

Why is that? The contrary is proving to be the case. Why did the Government think that it was not necessary to subject such major changes to the capital gains tax system to consultation?

The reforms have not been warmly received and would have benefited enormously from further consultation. For example, there is huge confusion about the use of brought-forward losses. I hope that the Financial Secretary will help taxpayers by clearing it up. Clause 119 says that the taper will be applied to the net gains that are

chargeable after deduction of any losses in the same year or losses brought forward from prior years. The notes on clauses state:

"It will not be necessary to use the losses brought forward or carried back to the extent that these would reduce the net untapered gains below the level of the annual exempt amount."

The *Financial Times* reported what it thought was the good news that the Bill would not implement the provisions that appeared to have been mentioned in the Budget press releases which would have forced investors to set off previous years' capital losses against gains, rather than letting them choose to carry them over into the next tax year. If it had been implemented, that proposal would have forced investors to use up carried-over losses rather than using their annual allowance, effectively boosting revenue for the Exchequer.

The euphoria of the *Investors' Chronicle* and the *Financial Times* was not correct. The Institute of Directors has said that the amendment of section 3 of the Taxation of Chargeable Gains Act 1992 by the Bill will mean that the taxpayer must use losses brought forward, even if the tapered gains would be covered by the annual exemption. Those with capital losses on other assets or capital losses brought forward will not be able to benefit from the value of their annual allowance, but will have to use up valuable capital losses instead.

The Country Landowners Association raised that issue in a letter to the *Investors' Chronicle*. Adrian Baird, the CLA's chief taxation adviser, points out that, where untapered gains exceed losses, the application of losses brought forward from earlier years has to be used against those gains before the annual exemption is applied against the tapered gains. As he says, "This is clearly unfair."

The Government should table amendments to put right drafting errors before the detail of schedule 21 is debated in Committee—then the rhetoric of the announcement would for once match the reality of the legislation. I hope that the Financial Secretary accepts that there has been an error in the drafting of the provisions dealing with the way in which brought-forward losses interact with the annual exemption.

Mr. Clifton-Brown: We are discussing relatively modest savers. Does my hon. Friend agree that Governments of all colours have accepted the principle that losses can be used to mitigate gains in a chosen year, although the Government are going against it?

Mr. Gibb: My hon. Friend makes a valid point. I believe that the Government did not intend to move away from that long-established principle, but there has been a drafting error, which the Government may put right this evening or in Standing Committee.

The amendment would do much to remove from the Government's proposals the anomalies, the unfairness, the complexities and the disincentives to entrepreneurs. I urge the Committee to accept it.

Dawn Primarolo: We have had a detailed debate. I want first to outline the Government's objectives; secondly, to respond to the amendment; and, thirdly, to respond to the detailed questions asked by Conservative Members, many of which are relevant regardless of whether the amendment is accepted.

First, I shall deal briefly with consultation, which several hon. Members mentioned. There was extensive consultation to invite views on possible changes to the CGT system. That was announced in the Revenue press release of 29 July 1997. The Government took the views into account in developing the reform package. Many hon. Members quoted from the summary of the consultation exercise that was published with the Budget papers. It was not practical to consult on the details, because of the risk that some investors would change behaviour to reduce their tax bills, and so erode the tax base and disrupt markets. That must be obvious to Conservative Members.

I realise that some hon. Members favour the taper and some do not, but the fact is that we could not, for example, have consulted on the head start in the reform. We could not have consulted on how far the indexation freeze would be retrospective, on retirement relief or on the bed-and-breakfast changes. Many Conservative Members made thoughtful contributions on the taper, and understand those points well. I understand that they must make those points, but they know full well that such problems arise.

Mr. Gibb: I cannot understand why the Minister feels that taxpayers will want to mitigate the consequences of the reforms if their purpose is to simplify the CGT system and encourage enterprise and long-term investment. That implies that the reforms are benign. She now admits that they are not benign, and that people will want to mitigate their effects. Why does she believe that taxpayers will not think that the changes are benign and would have sought to undo their effects if they had had prior notice through the consultation process?

Dawn Primarolo: As the hon. Gentleman knows full well, the Government sought to ensure that there were minimal opportunities to exploit by avoidance mechanisms the true intention of our reforms. That is what I wanted to deal with next, before responding to the amendment.

The Budget was designed to secure economic stability, encourage work, promote enterprise and create a fairer society. To those ends, the Government are committed to improving the performance of all UK business. Business needs a fair tax system that rewards long-term investment and entrepreneurship. Again, Conservative Members repeatedly highlighted the problems in the current system, while engaging in a wide-ranging debate. The CGT reforms are designed to promote enterprise, reward risk taking and encourage long-term investment in place of a culture of short-termism and expediency.

The introduction of the taper is central to the reforms. It reduces the percentage of chargeable gain on long-term assets that are held. That will encourage taxpayers to take the long-term view when they invest.

Mr. Quentin Davies *rose—*

Mr. Hogg *rose—*

Dawn Primarolo: I shall give way to the hon. Gentleman first.

Mr. Davies *rose—*

Dawn Primarolo *indicated dissent.*

Mr. Davies: Does the hon. Lady believe that short-term capital gains are less valuable to the economy than long-term capital gains, and if so, why?

The Chairman of Ways and Means (Sir Alan Haselhurst): Order. The hon. Lady will have to distinguish between her honourable and her right honourable Gentlemen.

6.15 pm

Dawn Primarolo: I am grateful for that guidance, Sir Alan.

The aims of the Government's policy are clearly to encourage long-term investment and discourage short-termism. I now give way to the right hon. and learned Gentleman.

Mr. Hogg: The hon. Lady says that her intention is to encourage long-term investment. I think that she would accept that her proposals, given an increase in the rate of inflation, could mean that people pay capital gains tax on paper gains. How can that be said to encourage long-term investment?

Dawn Primarolo: The policies are designed to encourage long-termism. That is set within the Government's policy of stability and low inflation. That is the point of the reforms.

The introduction of the taper relief will make it possible progressively to withdraw the complicating features, to which Conservative Members have repeatedly referred, from the CGT system. Chief among those is the indexation allowance.

Mr. Gardiner: Did my hon. Friend see the report in the *Financial Times* on this point the day after the Budget? It mentioned that one of the effects of the change in the CGT regime would be to bring more into play the Greenbury committee's recommendation that there should be a minimum of three years—which quickly became a maximum of three years—before the options on boardroom shares and incentive schemes were exercised? One of the finest impacts of the Government's scheme will be to ensure that such options will be held long-term, and to create a real incentive for loyalty and commitment to companies.

Dawn Primarolo: That is exactly the direction in which we are moving, to put long-termism in place of the culture of short-termism and expediency.

The complexities that indexation introduces into the system are much complained of, and have been complained of this evening. The taper that will take over is intuitively simpler, and will progressively lead to a simpler system as indexation relief ceases to complicate CGT computations. The hon. Member for Cotswold (Mr. Clifton-Brown) mentioned completion of self-assessment returns. Anyone with a gain who has to calculate indexation currently would be well advised to have professional advice. His point applies to the present system.

Mr. Clifton-Brown *rose—*

Mr. St. Aubyn *rose—*

Dawn Primarolo: I shall give way first to the hon. Member for Guildford (Mr. St. Aubyn), and then to the hon. Member for Cotswold.

Mr. St. Aubyn: Does the Financial Secretary accept that simplifying a system may produce cases of rough justice? If so, why have the Government removed from the taxpayer the option of the indexation system and whatever complications might be involved in calculating the indexation gain, and simply insisted that everyone has to go over the tapering relief system?

Dawn Primarolo: With respect, what the hon. Gentleman suggests is far too complicated. The Government are striking a balance on the question of fairness in a period of transition from one regime to another—from indexation to the taper regime. That is precisely why the Government have established these mechanisms.

Mr. Clifton-Brown: The Financial Secretary says that introducing the new deemed holding period with the taper makes the computations simpler for the taxpayer, but those taxpayers who have held assets from before 17 March will have to deal with both systems. Far from being simpler, the new system is twice as complicated.

Dawn Primarolo: I have tried to explain to the hon. Members for Guildford and for Cotswold that, in a transitional period, the issues of simplicity and fairness must be balanced, which is what the Government have sought to do. As I said, the taper system will be a simpler system after the period of transition has passed.

The introduction of a more generous taper also removes the need for a separate exemption of a slice of business gains, which retirement relief currently provides for the over-50s. We have taken the opportunity to remove from the system a complex relief that has given rise to high compliance costs and much litigation. The relief will be phased out over a five-year period as the benefit of the taper builds up.

The withdrawal of that relief is also part of a move toward a fairer tax system, in which everyone who realises a substantial gain will pay some tax at the reduced level under the taper. That is crucial to the Government's reforms.

Mr. Quentin Davies: The Financial Secretary may have regarded that last passage as an answer to my specific question about the mismatch between the withdrawal of retirement relief and the introduction of a taper, but it was not a satisfactory answer.

Why did the Government decide to produce additional transitional problems and the anomaly to which I drew attention, whereby, in the interim, business assets will suffer a higher rate—more than 20 per cent.—of capital gains tax? Why will the Government not phase out business retirement relief over the same 10 years over which the taper is being phased in? That was a choice open to the Government, so why did they not take it?

Dawn Primarolo: The answer to the hon. Gentleman's question, which that passage was not, is that it is the Government's opinion that the proposed period is a fair period for the phasing out of the relief. The encouragement to continue to invest and receive the long-term gain is clearly there.

We are also making several changes that will lead to a fairer system: the rules to counter the wholly tax-driven activity of bed-and-breakfasting shares; the taxing of all gains of trusts at the uniform rate of 34 per cent.; and the

tightening of the rules on temporary residence, so that people cannot avoid a UK charge simply by going abroad for a limited period.

Mr. Hogg: Will the Financial Secretary give way?

Dawn Primarolo: If the right hon. and learned Gentleman first lets me make a little progress, I shall give way to him. There are many questions I have to answer from hon. Members.

That is not all. We are introducing changes to stimulate greater provision of equity capital for smaller, higher-risk trading companies; and changes to target the available finance in the most effective way. That will be achieved under a new enterprise investment scheme, which combines the existing EIS and CGT reinvestment relief so as to provide a unified, better-focused scheme, while preserving the best parts of the previous system. We shall have an opportunity in Standing Committee to debate the detail of those measures, together with the taper, which is included in schedules 20 and 21.

The amendments proposed by the right hon. Member for Hitchin and Harpenden (Mr. Lilley) deal with the basic structure of the taper proposed in clause 119.

Mr. Hogg: Would this be a good moment to intervene?

Dawn Primarolo: I fear it is.

Mr. Hogg: I should like to take the Financial Secretary back to the subject of bed-and-breakfasting. She has supported the retention of the capital gains tax exemption—as do we—and she would also argue the case for long-termism; but to deprive small investors of the opportunity to take advantage of the capital gains tax exemption in any one year so as to rebase capital values is to damage the position of small investors, so that they are effectively deprived of the capital gain exemption.

Dawn Primarolo: As the right hon. and learned Gentleman will know, bed-and-breakfasting is a wholly tax-driven activity, and the Government have made clear their view. My right hon. Friend the Chancellor sent out a clear message that the practice of bed-and-breakfasting is objectionable, and the Government will watch carefully for any attempt to get around the provisions.

Mr. St. Aubyn: Will the Financial Secretary explain why it is objectionable for a small investor to sell shares in, say, Glaxo and buy them again the next day, but it is not socially objectionable for that small investor to sell shares in Glaxo and, on the same day, to buy shares in, say, SmithKline Beecham?

Dawn Primarolo: The issue is one of investment versus a wholly tax-driven activity. I should have thought that Conservative Members would understand that.

Let me now turn to the amendments and the Government's response. Taper reliefs reduce the amount of gain chargeable on the disposal of an asset. The amount of the reduction depends on the use to which the asset has been put—that is, whether or not it is a business asset—and the length of time it has been held. If the asset has not been a business asset, the taper reduces the gain by 5 per cent. for each year it has been held after three years; the maximum reduction is reached when assets have been held for 10 years or more, when 60 per cent. of the gain remains chargeable.

If the asset is a business asset, the taper reduces the amount of the gain by 7.5 per cent. for each year after the first year; the maximum reduction is reached when the asset has been held for 10 years or more, when only 25 per cent. of the gain remains chargeable.

Business assets are those that have been used in a trade and holdings in a trading company in which the investor has a substantial interest. The taper runs for periods after 5 April 1998, which ties in with the freezing of indexation relief for assets held at April 1998. Indexation will be available to that month, and the taper relief from then on. Assets held on Budget day will qualify for a one-year head start down the taper.

Mr. Bermingham: I am sorry to interrupt my hon. Friend, but I should like her to answer one question. Where the owner of a small business uses personal assets—for example, a cottage or house that is not his residence, or shares in some other holding—will those assets qualify for the exemption under the taper if they have been used to support the development of the business?

Dawn Primarolo: I think my hon. Friend was not present when I said that the intention behind the reforms was to promote enterprise, reward risk taking and encourage long-termism. He asked a specific question on a detailed point, on which I would prefer to come back to him later.

Mr. Gibb: Will the hon. Lady give way?

Dawn Primarolo: No.

Hon. Members: Shame.

Dawn Primarolo: Sir Alan, I have been very generous, and I would—

The Chairman: Order. I am sorry to interrupt the hon. Lady. The Committee should know that it is entirely up to the Minister whether she gives way, and that background noise is not acceptable.

Mr. Hogg: On a point of order, Sir Alan. Would you just remind me—although I think it is right—that, as the House is in Committee, hon. Members may make further speeches after the Minister has completed hers?

The Chairman: The right hon. and learned Gentleman is perfectly correct to say that hon. Members are not confined to one speech in Committee, but it is still entirely up to the person who holds the Floor how they conduct their speech, and how they maintain the flow of that speech.

6.30 pm

Dawn Primarolo: Thank you, Sir Alan. I wanted to make some progress in my remarks, especially to answer the detailed questions that have been asked. When I have made progress, I should be happy to give way again. I believe that I have already done so generously.

[Dawn Primarolo]

Obviously, the purpose of amendments Nos. 16 and 17 is to ensure that people who have held an asset for 10 years or more pay no tax on their gains. We do not think that it is necessary to reduce the tax to zero to meet the objectives of the capital gains tax reform, nor do we think it a right or fair thing to do. The purpose of the taper is to encourage people to take a long-term view when they invest, and to reward those who do so, especially the entrepreneur. We believe that the taper, as drafted, will achieve that.

We believe that charging 25 per cent. of the gains on assets held for 10 years—producing an equivalent tax rate for the higher rate taxpayer of only 10 per cent.—will provide a very real incentive in future for entrepreneurs to set up and expand their businesses. Similarly, charging 60 per cent. of the gains of non-business assets—producing an equivalent tax rate of less than 14 per cent. for the basic rate taxpayer, and only 24 per cent. for the higher rate taxpayer—will provide a real incentive for the ordinary investor to invest for the long term.

Obviously, it is a matter of judgment how generous the reduction should be to produce the desired incentive, and that question provoked much discussion in the debate. However, we believe that the taper in the form set out in clause 119 is sufficient to meet our objectives. To go further and reduce the tax to zero would be not only unnecessary and costly, but unfair to the general body of taxpayers, who do not have capital gains. In our view, those with substantial gains should pay some tax on those gains, which is why we have set the taper in the way we have.

We estimate that, if the taper reduced the charge to zero in the way suggested by amendments Nos. 16 and 17, the annual yield from CGT would be reduced by more than half when the new regime was fully effective. Reducing the tax to zero would also be likely to add to the tax unwelcome complexities—the very thing that Conservative Members wish to avoid.

The taper has been structured in such a way as to make the tax work more simply than it does with indexation. A raft of new rules would probably be needed to counter the additional incentive that a zero-rate tax would provide for converting short-term gains into long-term gains, and income into gains. That could also have much wider implications for the tax system and the yields.

Mr. Quentin Davies: Will the Financial Secretary give way?

Dawn Primarolo: I have said that I am not giving way at the moment. Conservative Members have asked many questions, and I should make progress in answering some of them before more are asked. If Conservative Members were a little more patient in the debate, we could make progress.

In his speech to the British Dyslexia Association just before the Budget, the shadow Chancellor spoke in favour of a taper reducing the CGT charge to zero after the asset had been held for 10 years, but he qualified his remarks as follows:

"Inevitably"—

I hope that I am not misquoting—

"I put this forward tentatively because only with the information available within the Revenue could a scheme be devised which minimised traditional complexities, was not vulnerable to avoidance through use of derivatives and did not reduce overall tax revenues."

Well, we have the advantage of access to the Revenue, because of the general election in May 1997. I understand that the results of a poll published today show that our majority would be even larger if a general election were held now, such is the public's satisfaction with the Government's performance.

Now that he has the information with which I have provided him, the right hon. Member for Hitchin and Harpenden should realise why his amendments are unacceptable. We believe that the proposed taper achieves a balance in all the matters that he identified. It will encourage investment for the long term, especially investment in business assets, and reward those who take more than a short-term view.

I now consider some of the specific points that have been made. Various hon. Members said that software houses would be unable to introduce new systems in time to account for the reform package. The Revenue are in discussions with software houses to resolve the problems that have been identified. There is no evidence that it will be difficult to accommodate the taper—the software houses are talented, and already design extremely complex programmes—or to freeze indexation at the April 1998 point. In any event, the 1997–98 tax returns have only just been issued, so another year is available.

The right hon. Member for Hitchin and Harpenden asked why we were phasing the changes over five years. I believe that I have touched on this point, but, to develop it, phasing the current system out over five years will allow those affected to plan and adapt to the revised circumstances. Also, with the one-year addition for assets held at Budget day, the taper will already provide a substantial reduction in a gain chargeable if the sale takes place around the year 2003—the time when retirement relief will be phased out. There is a need to move to the new regime within a reasonable period; in the Government's opinion, five years is a reasonable period to choose to balance equity with complexity.

The right hon. Member for Hitchin and Harpenden asked for details of the Exchequer effect of the taper. Other hon. Members who knew the answer to that question then tried to say that my answer was not an answer after all, but I repeat it. To evaluate the Exchequer effect of the taper separately from the other changes would be a meaningless exercise.

Overall, the CGT reforms are broadly revenue-neutral in the medium term. The cost to the Exchequer will be negligible in 1998–99, and £25 million in 1999–2000. In 2000–01, there will be a yield of £25 million. For later years, the Exchequer effect will, of course, depend to a considerable extent on movements in future asset prices, on behavioural changes by investors, and on other factors.

I am glad that the right hon. Member for Hitchin and Harpenden acknowledged that the current rate of CGT was unreasonable, and that reforms should be undertaken. He then posed the question—

Mr. St. Aubyn: Will the Financial Secretary give way?

Dawn Primarolo: I will not give way.

The right hon. Member for Hitchin and Harpenden drew attention to the higher effective rate of tax for assets held for a short time—the taper not providing a reduction in that regard. He said, correctly, that the taper did not bring about a reduction below the current effective rates until the longer holding periods cut in. That is indeed what happens; it is the objective of the reforms. We want to shift the CGT burden away from long-term investors and towards short-term investors, to encourage a longer-term view.

The penultimate point concerned small businesses. The small business asset taper can substantially reduce the tax payable by all businesses, but we believe it right that everyone should pay some tax on large gains above the annual exempt amount; so a continuing exemption has no place in such a scheme, as I have repeatedly made clear.

Finally, many Conservative Members asked why we were phasing out retirement relief. The Government's objective—I cannot remember how often I have said this—is to encourage long-term investment, especially of the entrepreneurial type. It is therefore right to target reliefs on long-term business investment, which is what the generous business asset taper does.

The hon. Member for Grantham and Stamford (Mr. Davies), in his statutory 20-minute contribution, asked a number of questions, but included a disclaimer about what the Institute of Chartered Taxation might say about his representations. He asked what work had been done on assessing compliance costs.

The Revenue published a regulatory appraisal on 5 April demonstrating the long-term compliance benefits of the reform, and appraising the short-term increase in compliance costs. That short-term increase is a result of the transition from the current to the new system in a way that will be acceptable to the broad majority of CGT payers. As indexation and retirement relief work their way out of the system, the compliance benefits will become increasingly evident.

The hon. Gentleman also asked about the four-page definition of business assets, as opposed to the current definition used for gift reliefs under section 165, I think he said. No doubt he will explore these questions further in Standing Committee. That definition is not one that we wanted to use for the reform. The purpose of the taper definition is, as I keep saying, to encourage entrepreneurial activity. We have therefore used a definition appropriate to that purpose. It is quite simple in most practical circumstances.

The hon. Gentleman asked about rebasing asset values at 1998 levels. That would produce huge windfall gains for some people. Rebasing was therefore rejected. It would also create the expectation that we might rebase regularly, so people would hold off transactions in that expectation.

Mr. Quentin Davies: How in the name of heaven could such a move produce expectations that the Government would rebase again? This would clearly be the last rebasing, because indexation would be abolished. Why not take the opportunity to remove the complexities of the co-existence of indexation and tapering for many years to come? Why not reduce those complexities and administrative costs by getting rid of indexation? If that is done, there can be, by definition, no expectation of rebasing again. The hon. Lady's answer does not make sense.

Dawn Primarolo: I disagree. The Government have to decide what is fair. In determining that, we took into account the substantial windfall gains for some individuals. The Government's proposals are the fairest way of effecting the transition from one system to another.

The hon. Member for East Worthing and Shoreham (Mr. Loughton) said that he was in favour of the amendment, but then spoke against even the principle of the tax, let alone the taper. If all that he said was true, why, for 18 years, did the Conservative Government leave in place a system that he believes penalises entrepreneurial activity?

The hon. Gentleman also asked why only holding periods after 5 April 1998 should be counted for taper purposes. The point of the taper is to influence future behaviour. That is achieved by reducing the gain for holding periods after 5 April. Backdating the taper, which the hon. Gentleman also recommended, would confer windfall gains. In the interests of equity and simplicity, that would simply not do.

6.45 pm

The hon. Member for Arundel and South Downs (Mr. Flight) asked about first in, first out. Although that would mean more taper relief for earlier sales and less for later ones, it would also be more likely to produce larger gains for earlier sales and smaller gains for later ones. It is a case of swings and roundabouts.

The hon. Member for Guildford asked why we do not taper losses in the same way as gains. Tapering losses before offsetting them against tapered gains would introduce a distorting incentive to realise short-term losses and then set them against long-term gains.

I have sought to show why the amendments would not achieve the objectives set out by the right hon. Member for Hitchin and Harpenden, and I have answered the questions asked about details of the CGT reform. I have explained the Government's objectives, which are to balance complexity and equity during the transition from one tax to another. I ask the Committee to reject the amendment, and support the Government.

Mr. Lilley: This has been a very good debate, with extremely high-calibre speeches from everyone—not excluding the Minister, who was her characteristically charming and punchy self. She had to respond to an array of talent among my hon. Friends, all of whose speeches merit re-reading—and all of whom supported the amendment.

The other distinguishing characteristic of the debate has been the fact that no Labour or Liberal Member has risen to my challenge to defend the perverse consequences of this measure. I asked them whether they felt that they had been elected to introduce legislation that increased the tax on small business people and reduced it on the rich. I asked whether they supported measures designed to ensure that those who made modest gains paid more tax than those who made large gains. None of them rose to support that aspect of the Bill. We look forward with confidence, therefore, to their joining us in the Lobbies to support the amendment, which would largely eliminate the perverse consequences of the legislation.

[Mr. Lilley]

The issue of consultation, and the inadequate way in which it was carried out, has been raised. The Financial Secretary could not answer the question from my hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb), who said that, if the reforms that the Government wanted to announce and consult about would make life easier for people by reducing the burden of tax and by reducing the burden of compliance with that tax by simplifying it, why should anyone want to pre-empt the introduction of that regime and escape from it? She could not answer, because the question does not permit of an answer that would justify the Government's lack of consultation.

The Government could have presented their proposals and allowed people to comment on them without provoking great pre-emptive action by taxpayers. The legislation would have been all the better if they had proceeded in that way, rather than asking people to write in with abstract essays giving their own ideas about capital gains tax, which would be largely ignored.

The hon. Lady did not respond adequately to our argument that this was in essence a wealth tax. The abolition of indexation and the retention of a positive rate of CGT even after 10 years mean that anyone who has gains that purely reflect the decline in the value of money will henceforward have to pay tax on that, and will in effect be paying a wealth tax. Previous Labour Governments tried to introduce such a tax, and this Government will do so.

The hon. Lady said that a zero rate would be unfair to those who had no capital gains. However, those who have only inflationary gains have no real capital gain. Nothing is more unfair than taxing people on an inflationary gain. The only way to avoid that is by going down to a zero rate.

On simplification, the hon. Lady reminded the Committee that my hon. Friend the Member for Cotswold (Mr. Clifton-Brown) raised the fact that people already faced the problem of dealing with self-assessment. They will now have the added problem of dealing with tapering as well as indexation. The Financial Secretary said that taxpayers should be taking professional advice to deal with indexation, so it will not be difficult for them to take additional professional advice to deal with tapering.

My right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg), who is talented and numerate, could probably do those calculations in his head, with his eyes closed. He does not need professional advice, but he admits that he would need such advice to deal with tapering. Why should we create a system that will line the pockets of accountants by making indexation and tapering run side by side for anyone who has assets acquired before 17 March?

As I understand it—perhaps the Financial Secretary will intervene if I am wrong—indexation will not cease in 10 years. It will run alongside tapering for ever in respect of assets acquired before 17 March 1998, so knowledge of the two systems will be necessary.

Mr. Gardiner: The right hon. Gentleman considers it complicated that the two systems should run alongside each other in perpetuity, but his hon. Friend the Member for Guildford (Mr. St. Aubyn) suggested that there should be an option to choose between the two systems. Would that not create even more of a headache?

Mr. Lilley: It would not create more of a headache for those who did not want to take the option. If people wanted to take it up, fair enough. Such systems have existed in the past, but we would prefer not to need the option, by phasing out indexation more satisfactorily and backdating tapering to compensate for it, if that can be done effectively.

The hon. Lady was blasé about the problems raised by the software houses with regard to coping with the complexities of the tax. The software houses do not lightly say that the problems cannot be dealt with by existing software packages, because those do not contain the necessary information and because much of the information about how the tax will operate is not being made available to the general public. I hope that she will look carefully at the problems and do something about them.

Retirement relief is one of the most important issues. The Financial Secretary failed to answer the question about the perverse effect. Suppose someone makes a profit of less than £500,000—say, £350,000—perhaps by selling a business which he has run, effectively, to provide him with a pension. We know that £350,000 will buy a pension much the same as the hon. Member for Bolsover (Mr. Skinner) will get when he retires. That person, however, will have to pay more tax. By contrast, someone who sells a business for £2 million will get an extra £350,000, more than he would get under the present tax regime, so he will be able to buy a second Bolsover pension for himself.

Is that sensible? Were Labour Members elected to bring about a change that will make the rich richer and the less rich less well off? To those that have shall be given, and from those that have not shall be taken away—that seems to be the motto of those on the Front Bench, which is calmly accepted by Back-Bench Labour Members.

After much effort, the hon. Lady said that she now believes that, in the long run, her tax changes will be fairly neutral. I do not know anyone outside the Committee in the expert community who believes that that is so. Almost all of them think that the changes will enhance Government revenues. They would be equally doubtful about her suggestion that moving to a zero rate would have an impact on the yield as substantial as she suggests. I would welcome the publication by the Government of the way in which they have made their calculations in this respect.

Most surprising of the Financial Secretary's replies to the questions raised was her statement that the perverse interim consequences of the transitional arrangements were deliberate. A person who in three or four years sells an asset that has risen at about 5 per cent. in money terms, assuming that inflation stays at its present level, will pay a 60 per cent. rate of tax on his real gain.

The hon. Lady says that that pattern of rates on gains made in the interim is intentional, and that it is designed to encourage people to hold on to their assets even longer. Why does she not make the rate 100 per cent., and make people pay massive rates unless they keep their assets for a very long time? It is extraordinary to increase the

effective rate of tax on real gains where those gains are modest. It is way above the present 40 per cent. rate. I am surprised about that.

On the 30-day rule, the Financial Secretary had no answer to the pertinent question why it was good for someone to be able to sell Glaxo and the next day to buy Beechams, but wrong for that person to be able to sell Glaxo and buy Glaxo back the next day, and make use of his capital gains tax allowance. Until we get an answer to that question, we will be puzzled why this strange dog's dinner—or dog's breakfast—of a measure had been introduced.

We will urge the Committee to vote in favour of the amendments, confident that the silence of Labour Members signifies consent on the perverse consequences of the Government's proposals, and that we will have a large measure of support from Labour Members.

Mr. Clifton–Brown: If, as the Government believe and the Financial Secretary made clear, these complex changes are revenue-neutral in the medium term, what on earth is the point of introducing them, when the compliance cost will be hugely increased?

Mr. Lilley: That is a very good question. A system that does not achieve the simplification that might have been possible if indexation had been replaced by indexation leading to a zero rate is probably not worth having. If the measure does not raise extra revenue, it is hard to justify. However, one suspects that it will—like almost every other tax measure that the Government have introduced. It is another tax-raising measure, from a tax-raising socialist Government. We urge the Committee to support us in this amendment.

Question put, That the amendment be made:—

The Committee divided: Ayes 149, Noes 251.

Division No. 261] **[6.59 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Ashdown, Rt Hon Paddy
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Norman
Ballard, Mrs Jackie
Beith, Rt Hon A J
Bell, Martin *(Tatton)*
Bercow, John
Body, Sir Richard
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brake, Tom
Brazier, Julian
Breed, Colin
Browning, Mrs. Angela
Bruce, Malcolm *(Gordon)*
Burns, Simon
Cable, Dr Vincent
Campbell, Menzies *(NE Fife)*
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clark, Dr Michael *(Rayleigh)*
Clifton–Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Curry, Rt Hon David
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Green, Damian
Greenway, John
Grieve, Dominic
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harvey, Nick
Hawkins, Nick
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heathcoat–Amory, Rt Hon David
Hogg, Rt Hon Douglas
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Kennedy, Charles *(Ross Skye)*
Key, Robert
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Letwin, Oliver
Lidington, David
Lilley, Rt Hon Peter
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Maples, John
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Smyth, Rev Martin *(Belfast S)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Stanley, Rt Hon Sir John
Steen, Anthony
Stunell, Andrew
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Tonge, Dr Jenny
Townend, John
Tyler, Paul
Tyrie, Andrew
Wallace, James
Walter, Robert
Wardle, Charles
Waterson, Nigel
Webb, Steve
Whitney, Sir Raymond
Widdecombe, Rt Hon Miss Ann
Willetts, David
Willis, Phil
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. John Whittingdale and Sir David Madel.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Barnes, Harry
Battle, John
Bayley, Hugh
Begg, Miss Anne
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Berrningham, Gerald
Best, Harold
Betts, Clive
Blizzard, Bob
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Byers, Stephen
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Canavan, Dennis
Cann, Jamie
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann

Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Cook, Frank *(Stockton N)*
Cooper, Yvette
Cousins, Jim
Cox, Tom
Cranston, Ross
Cryer, Mrs Ann *(Keighley)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dean, Mrs Janet
Denham, John
Dobbin, Jim
Dobson, Rt Hon Frank
Dowd, Jim
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Etherington, Bill
Ewing, Mrs Margaret
Field, Rt Hon Frank
Fisher, Mark
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galloway, George
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Griffiths, Jane *(Reading E)*
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hanson, David
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Hesford, Stephen
Hinchliffe, David
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
Kingham, Ms Tess
Kumar, Dr Ashok
Lawrence, Ms Jackie
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonnell, John
McFall, John
McGuire, Mrs Anne
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
McWalter, Tony
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Maxton, John
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Alan
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Alasdair *(Galloway)*
Morgan, Rhodri *(Cardiff W)*
Morris, Ms Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Ms Joan
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Watts, David
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Winnick, David
Wise, Audrey
Wood, Mike
Wray, James

Tellers for the Noes:
Mr. Jon Owen Jones and
Ms Bridget Prentice.

Question accordingly negatived.

Dr. Vincent Cable (Twickenham): I beg to move amendment No. 27, in page 110, line 9, leave out '1998–99' and insert '1999–2000'.

The bad news for those who are not aficionados of capital gains taxation is that the subject is not entirely exhausted. Enough has been said in previous debates to tell us that there is considerable disquiet about the way in which important reform is being introduced. The previous amendment, tabled and moved by the official Opposition, was largely designed, I suspect, to cover the embarrassment of their official spokesman, who had committed himself to a particular form of reform. With amendment No. 27 we are making a more wide-ranging request that the Government should consult and report back to Parliament on questions of simplicity and economic efficiency.

A regrettable feature of the previous debate was its presentation, which was more partisan than was necessary. When we dealt with the issue on Second Reading, it was fairly clear that there was disquiet on both sides of the Chamber. The hon. Member for Stafford (Mr. Kidney) made an especially good contribution. In common with many of us, he had encountered some of the difficulties that practitioners will experience with the reform. The hon. Gentleman asked the Government to consider the matter afresh. We approach the reform very much in that spirit.

In many other respects, the Government have shown a commendable willingness to consult. The result of that consultation on individual savings accounts was political credit for the Government and improved legislation. On gaming legislation, the Government showed last night that they were willing to listen to criticism and to respond. The amendment is moved in the hope that the Government will react to some of the things that have been said today, many of which my colleagues and I support. We hope that the Government will respond constructively to them in due course.

The key point is simplicity. I do not pretend to be a practitioner, and I can claim honestly never intentionally to have made a capital gain sufficiently large to trouble the taxman. I suspect that many of us in the Chamber are in that position. We are reliant for advice on practitioners, and they are telling us—even those who have no ideological axe to grind—that there are horrendous practical problems associated with the proposed changes.

Mr. Bermingham: I listened only to the end of the previous debate, because I had to be elsewhere. However, it is clear to me that the debate is between those who want to benefit from short-term speculation, which was the previous Government's policy, and those who want to invest in and encourage long-term investment. The Bill is drafted in a way that makes it clear that policy must be directed towards long-term investment, thereby encouraging people to invest in their own businesses, for example, leading to their retirement, when they will incur almost a minimal notional tax burden.

7.15 pm

Dr. Cable: I am happy to deal with the short-term, long-term issue. In many ways, the hon. Gentleman is using old-fashioned jargon and concepts that are no longer relevant to the way in which international business operates.

Perhaps the key point is simplicity. We are faced with complexity when it comes to tapering, in respect of which loss provisions are to be taken into account, and the overlap with indexation. Those factors will present serious problems to those who have to operate the system. The Financial Secretary has told us that there are no problems for software houses. However, I have been approached by several accountants, who expressed great apprehension about the information technology implications of the proposed change, which is coming not in isolation but in addition to other demands on the industry—for example, the year 2000, possibly the Dow 10,000 index problem and certainly the economic and monetary union conversion problem. A set of difficulties confront the industry, and I have outlined one more that will have to be faced by tax accountants and by others in the City. It is a genuine difficulty.

The short-term, long-term issue underlies the proposed change. I understand the theory and it is superficially plausible. It is an idea that has had a long period of gestation. I remember that Lord Kaldor was in many ways the genesis of the proposed legislation in the context of short-term capital gains tax in the 1960s. It was he who introduced the idea.

It has never been entirely clear to me that there is a fundamental short-termism problem. I operated in a company that made respectable returns, yet made 50-year investments. It operated in international capital markets, which were well attuned to long-term decisions. However, it has never been especially clear, particularly in the modern world in which we operate, where increasingly global markets meet both long-term and short-term needs, that there is a fundamental structural deficiency.

The proposed legislation will have some disadvantageous consequences. For example, many economically beneficial capital gains, by their very nature, are short term. The venture capital business is designed, very often, to produce high-risk, short-term returns. That is the nature of the business. It is efficient, but that is the way in which it operates. Equally, there is nothing inherently beneficial in long-term investments, especially long-term, non-business investments. There is no particular advantage in locking away an investment for 20 years merely because of tax advantages. That does not encourage the right sort of entrepreneurial activity.

One of the perverse and unintended consequences of the proposed changes is that individuals will be encouraged to invest less on a private basis and more on an institutional basis through investment trusts and unit trusts, where the churning of rapid investment will take place without encountering capital gains difficulties. The Government should have a period of consultation, considering the simplicity issues and the complexity problems, including economic efficiency. Having done so, they should report back to the House of Commons.

Opposition Members raised a set of practical problems. Some of those problems have been answered and others not. The speed of tapering seems to be a problem for non-business investment. How are losses to be taken into account? Retrospectivity is a real problem, because the tapering system will not take effect for two years from now. A particular problem is associated with the restrictions that divide business and non-business investment. For example, someone with less than 25 per cent. ownership in a company will not benefit from the more generous treatment accorded to business capital gains.

All those are legitimate issues. There may be adequate answers, but we want a period of further consultation, so that the Government can meet the criticisms that have been made and approach the House with better legislation than currently exists.

Dawn Primarolo: I listened carefully to the hon. Member for Twickenham (Dr. Cable), who was repeating points that were made in the previous debate. He seemed to be arguing against the clause, whereas the amendment accepts the clause but merely delays its implementation for a year. Does he support the clause or want its implementation delayed?

I dealt in the previous debate with consultation. It is not only the Government who think that the reforms are good and will promote the long-termism that we seek to encourage. The hon. Gentleman need not rely on my word for that; the CBI, the Federation of Small Businesses and the British Venture Capital Association have all welcomed the change, because it provides a big boost to long-term investment.

In addition, the clause heralds the progressive withdrawal of indexation from the capital gains tax system and the phasing out of retirement relief. Both those features of the present system have been much complained about, not only in Committee today but repeatedly outside the House. Their replacement by a system that provides relief solely on the basis of the length of time over which the gain has been accrued is both simple to understand and easy to operate.

We therefore reject the amendment and the proposition that we should delay the reform by a year. I have already dealt with the questions of complexity and equity, and how the tax will be managed. I shall try to help the hon. Gentleman and his party, by advising them to make up

[Dawn Primarolo]

their minds whether they agree with the taper. If they agree with it, they should vote for the clause, which I hope they will. If they do not, they should know that any delay is unacceptable to the Government, so we reject their proposition.

Dr. Cable: We have no fundamental objection to the clause. After further consideration, it might be perfectly acceptable. It is difficult to understand why the Government are so resistant to consultation. They have adopted that principle in many aspects of their policy and have benefited from doing so.

There are clearly many objections to the clause. They are motivated not by party political concerns but by genuine technical and procedural problems which could, with further consultation, be addressed. That is why we argue for a year's delay in the introduction of the legislation.

In another context, for example, when my colleagues and I urge a more rapid accession to EMU, Ministers often say that it is better to be right than to be quick. That is an admirable principle to apply in this extremely complex area of legislation.

Question put, That the amendment be made:—

The Committee divided: Ayes 34, Noes 240.

Division No. 262] **[7.24 pm**

AYES

Allan, Richard
Baker, Norman
Ballard, Mrs Jackie
Beith, Rt Hon A J
Bell, Martin *(Tatton)*
Brake, Tom
Breed, Colin
Bruce, Malcolm *(Gordon)*
Cable, Dr Vincent
Campbell, Menzies *(NE Fife)*
Chidgey, David
Cotter, Brian
Ewing, Mrs Margaret
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Heath, David *(Somerton & Frome)*
Jones, Ieuan Wyn *(Ynys Môn)*
Keetch, Paul
Kennedy, Charles *(Ross Skye)*
Kirkwood, Archy
Livsey, Richard
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Morgan, Alasdair *(Galloway)*
Russell, Bob *(Colchester)*
Sanders, Adrian
Stunell, Andrew
Swinney, John
Tonge, Dr Jenny
Tyler, Paul
Wallace, James
Webb, Steve
Willis, Phil

Tellers for the Ayes:
Mr. Edward Davey and
Sir Robert Smith.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Barnes, Harry
Battle, John
Bayley, Hugh
Begg, Miss Anne
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Bermingham, Gerald
Betts, Clive
Blizzard, Bob
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Byers, Stephen
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Canavan, Dennis
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cook, Frank *(Stockton N)*
Cooper, Yvette
Cousins, Jim
Cox, Tom
Cranston, Ross
Cryer, Mrs Ann *(Keighley)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dean, Mrs Janet
Dobbin, Jim
Dobson, Rt Hon Frank
Dowd, Jim
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael J *(Worcester)*
Fyfe, Maria
Galloway, George
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Griffiths, Jane *(Reading E)*
Grocott, Bruce
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hanson, David
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Hesford, Stephen
Hinchliffe, David
Home Robertson, John
Hoon, Geoffrey
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
Kingham, Ms Tess
Kumar, Dr Ashok
Lawrence, Ms Jackie
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonnell, John
McFall, John
McGuire, Mrs Anne
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
McWalter, Tony
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Maxton, John
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Alan
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pope, Greg
Powell, Sir Raymond
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*

Reid, Dr John *(Hamilton N)*
Robinson, Geoffrey *(Co'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Ms Joan
Savidge, Malcolm
Sawford, Phil
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, Rt Hon John D *(Strangford)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Watts, David
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Winnick, David
Wise, Audrey
Wood, Mike
Wray, James

Tellers for the Noes:
Ms Bridget Prentice and
Mr. Jon Owen Jones.

Question accordingly negatived.

Clause 119 ordered to stand part of the Bill.

Clause 25

CHARGE AND RATES FOR 1998-99

Question proposed, That the clause stand part of the Bill.

Mr. David Heathcoat-Amory (Wells): The clause deals with the rates of income tax that should apply for the current financial year. It is about the only area of taxation not to be increased in the Budget. In this massive tax-raising Finance Bill, the Government are leaving the rates of direct personal tax the same. That is a small mercy, given that other provisions of the Bill increase taxes savagely.

It is a matter of record that in last year's Finance Bill the Government carried out a £5 billion-a-year raid on pension funds, which sent exactly the wrong message to potential savers. The Government say that they should put money by to provide for their old age or to increase their self-reliance, but they may tax such funds at a future date.

The effective rate of corporation tax has been increased in the Budget, adding to what the CBI says is a £20 billion increase in company taxation during this Parliament. Yesterday, we debated indirect tax increases that have been introduced in the face of a rising tide of illegal sales and smuggled imports. Road fuel tax, which is another indirect tax, is being increased way over the rate of inflation. Motorists face a £9 billion additional tax burden during this Parliament.

In that context, it is a small but welcome mercy that the clause leaves the rates of income tax unaltered. However, I must contrast that with the previous Government's record. In 1979, we inherited a basic rate of income tax of 33 per cent. During successive Parliaments, we cut the rate to 23 per cent. We also inherited a higher rate of 83 per cent., which, if we include the surcharge on investment income, meant a staggering top rate of 98 per cent. on income. We cut that to 40 per cent.

The Labour party now seems to support those cuts, because it has left those rates unaltered. The Government accept them, despite the fact that, during those Parliaments, when we reduced tax year by year, Labour Members resisted and voted against all the relevant provisions. They have at last accepted that a low-tax economy is a healthy economy, but it took 18 years for the penny to drop. I welcome their change of view, albeit belated.

Mr. Bermingham: Will the right hon. Gentleman give way?

Mr. Heathcoat-Amory: I shall give way to the hon. Gentleman, who was in the House for at least part of that time.

Mr. Bermingham: Regrettably, I was here for all of it, bar the first four years. The Conservative Government reduced the top and the standard rates of income tax, but the reductions were greater at the top end of the scale than at the bottom. Thus there was a widening of the gap in disposable income. It is a little sad for the right hon. Gentleman to carp about the present Government, who are at least trying to reduce income tax at the bottom end to help those people. The Conservative Government helped only those at the top end.

Mr. Heathcoat-Amory: I take it that the hon. Gentleman is criticising the present structure of income tax. He seems to be complaining that the cut from 98 per cent. to 40 per cent. was greater than the cut from 33 per cent. to 23 per cent.—which, of course, is arithmetically correct. If that is indeed a criticism, however, the hon. Gentleman might care to ask his own Front Benchers why they are doing nothing about it. This, the second of the new Government's Finance Bills, gives them an opportunity to rectify the imbalance, if that is the way in which they perceive it. There is an interesting difference between the opinions of the hon. Gentleman—opinions that I respect—and those of members of his own Front Bench, who are doing nothing to respond to his opinions.

Perhaps there remains a philosophical difference at the root of this. We cut the rate of income tax, in the teeth of opposition from Labour and, I should add, the Liberal Democrats, because we believe in low personal taxes and those parties do not—or, at least, most of their members do not. We consider it right to leave more money in people's pockets whenever possible; we also think that people make better spending decisions than the state in regard to a wide range of financial activities. Furthermore, we believe that a low-tax economy tends to be more efficient and dynamic—and, given that the global market is here to stay, we are engaged in an international tax competition that, thanks to the previous Government, we are winning.

Mr. James Plaskitt (Warwick and Leamington): I have listened to the right hon. Gentleman's protestations about the merits of low tax, as he sees it. Is it not the case, however, that, after the Conservatives' 18 years of government, the proportion of tax raised from income tax was the same as it had been at the start of that period?

Mr. Heathcoat-Amory: No. The proportion of income tax raised was not greater, and, if the hon. Gentleman

[Mr. Heathcoat-Amory]

consults the Budget statement published in November of the year before last, he will be able to see confirmation in writing.

I do not know whether the hon. Gentleman believes, as I do, that low taxes are not just good for the economy, but good for people's direct standard of living. It seems, however, that the Labour Government—belatedly—have accepted the policies; whether they have accepted the underlying thinking and philosophy we shall find out during the course of a full Parliament.

If we were still in office, we would continue our march towards a 20 per cent. standard rate of income tax. By now we would probably have taken another penny off the standard rate, or we might have employed the alternative of widening the 20 per cent. band that we created several years before the end of the previous Parliament. In other words, there were two ways of ending up with a standard rate of 20 per cent., and we would have pursued either or both in order to fulfil our pledge. We were moving decisively towards a 20 per cent. rate by the time of the general election.

Although the Labour party apparently accepts the policy, it still seems to have—strangely—what appeared at the time to be an even more ambitious policy: that of introducing a starting income tax rate of 10p in the pound. We heard a great deal about that before the general election, when Labour was looking for votes, but it now seems to have gone cold on the whole project. One of my questions to the Minister is this: can he bring us fresh news of when Labour intends to introduce a 10p starting rate, or is this another broken Labour party promise in the making?

I am aware that it was the Liberal Democrat party that wished to debate these matters on the Floor of the House, and we look forward to hearing from its spokesman in a moment. Some years ago, the Liberal party was the party of low taxation. Until the second world war, my family were Liberals—perhaps because they were in business, and felt that low taxes brought benefit to the British economy and to workpeople generally. That was a Liberal article of faith: to lower taxation levels.

At some point since then, however—it is difficult to pinpoint the year—the Liberal party converted itself, and has become the party of tax and spend. In some ways, it is well to the left of the Labour party as it is now. The Liberal Democrats appear to believe in high taxation as a moral good, and to ignore, or overlook, the economic damage that it causes.

7.45 pm

As all hon. Members will probably have noticed, however, the Liberal Democrats are rather selective in that regard. Yesterday, they voted with us to reduce the duty on fuel. That struck some of us as rather odd, because the Liberal Democrats used to be in favour of higher fuel duties, for environmental reasons. From that we can conclude that they are somewhat opportunistic in their new-found belief in high taxation. *[Interruption.]* I hear cries of, "No," and, "Impossible," from the Opposition Benches, but, as one who may be more familiar with the Liberal Democrat party on a democratic basis, I can assure all hon. Members that this is not entirely out of character.

The Liberal Democrats appear to want to increase taxes when they can get away with it. They tabled an amendment to the clause with the intention of increasing the rate of income tax, but, as they might have known, that is out of order: all Finance Bill debates take place on the basis of motions already passed by the House that put a limit on taxes. We can reduce them, as we have tried to do throughout the Committee stage so far, but we increase them. Sadly, the Liberal Democrats therefore cannot speak to the amendment concerned, but doubtless, given their known intentions, they will try to force the same thing on us by another route.

I can tell the Liberal Democrats that we will not support them on that. We are the low-tax party; moreover, we would not dream of supporting a Liberal Democrat move to increase the burden of taxation on the people whom we represent.

Mr. Bermingham: I wait with interest to hear what the Liberal Democrats say. We know from experience, and from reading their leaflets—entitled "The Focus"—that they say one thing in Lancashire and another in Lincolnshire, one thing in Surrey and another in Staffordshire. It is never consistent, and never realistic.

No doubt the Liberal Democrats will say that they want to put a penny on income tax. They will then come up with some spurious explanation, saying that they want to spend the money here or there. The fact that the present Government have spent more on education, health and so forth than the Liberal Democrats ever proposed will no doubt be ignored like everything else. I do not intend to say more about that. I have made my comments about Liberal Democrats. They know my views about their fiscal propriety—if I can put it in that way—and about their taxation policies. I think that their policies are rubbish. They are opportunistic: they say one thing one day and another thing another day—but let us turn to the real world.

The Opposition spokesman, the hon. Member for Wells (Mr. Heathcoat-Amory), was kind enough to say that he listens to my observations. He must know from what I have said over the past 15 years that I do not like income tax. I think it is probably the most unfair and destructive form of taxation possible—but I am not a Poujadist. When the previous Government lowered both the higher and the standard tax rates, it was clear that the spending power that resulted benefited the rich at the expense of the poor.

I shall not criticise my own party tonight, because it has only just taken office, and it would not be realistic to expect it to sort out the messes created in the past 18 or 19 years in the space of 18 or 19 months.

Mr. Norman Baker (Lewes): Does the hon. Gentleman support his party's pledge not to increase the top rate of tax in this Parliament?

Mr. Bermingham: Of course I do. It is sensible, and totally in line with what I have always said—that income tax is not a sensible tax.

In the first year or two of the Parliament, I do not expect significant changes in the income tax structure. I understand that our manifesto said that we would not put up the rates of tax—I shall be corrected if I am wrong—and, without doubt, the Government will adhere to that. I expect that a 10 per cent. starting rate will be introduced, but we cannot expect the Government to do that overnight because it has spending implications.

The best way to deal with income tax is to increase the country's wealth, and the Government are succeeding in that. With more people going back to work and fewer on benefit, there are greater incentives, and that encourages production and investment in new businesses. More jobs and greater wealth will be created, and the tax take will rise. It is already beginning to rise and, as it does, there will be more surpluses and the Government can choose what to do with them.

Mr. Tim Collins (Westmorland and Lonsdale): The hon. Gentleman has been most courteous in giving way. He rightly says that the route to greater resources for the priorities that many of us share is fast growth. Why does the Red Book, which projects ahead to the end of this Parliament, show that at no future point will growth be as rapid as it was in the Government's first year in office?

Mr. Bermingham: We must deal with market forces, world economic conditions and other factors. If the Government said that they intended to grow and grow like Topsy and that did not happen, the hon. Gentleman would say, "Gosh, the Government have not lived up to their Red Book promises." I prefer them to be cautious and to express their hopes while believing that they can surpass them just to show that that can be done.

The hon. Gentleman smiles. When I was in opposition, I used to smile at Government comments. Sometimes I was right and sometimes I was wrong. I suspect that the hon. Gentleman will be proved wrong, because there is underlying growth in the economy. With people being encouraged to return to work and a decrease in benefit spending, the country's wealth will grow. GDP growth is what matters because, the richer a country becomes, the greater are the funds to carry out the policies that were in the manifesto and to create a surplus.

I do not normally speak in Budget debates, save to make the occasional terse comment. In the next year or two, when that surplus begins and the Government examine taxation, I hope that their first priority will be the lower-paid. I hope that we shall seek to enlarge the bands in which no tax or low tax is paid, and that we shall leave the top rate as it is so that the benefit will flow to those who have not rather than to those who have. That is my earnest prayer. We shall see what the Liberal Democrats have to offer. It will be a penny here and a penny there, but I am sure that the Minister will deal adequately with their proposals.

The debate will show the country that the Government have their priorities right. They will not be over-ambitious and will not jump into the dark. They will plan their taxation policies correctly, but will always bear in mind the interests of lower-paid people rather than those who are in the higher-income brackets.

Dr. Cable: Clause 25 is arguably the most important in the Bill, and we intend to oppose it, but for reasons that are different from those of Conservative Members. Hon. Members have been trying to make my speech for me but perhaps I may be permitted to say a few words for myself and my colleagues. Our approach is quite explicit, and I do not understand why hon. Members should be mystified. We have plainly said that the basic tax rate should be 1p higher, that it should be 24p, and that the higher rate should be 50p rather than 40p. That has been set out many times, and there is nothing mysterious about it.

Our policy is described by Conservatives as a tax-and-spend approach—that is their cliché—but we think that some additional public spending is required. It has been suppressed for many years, and there should be transparent additional taxation to fund extra public spending.

Mr. Christopher Leslie (Shipley): Perhaps I can tell the hon. Gentleman why there is a little confusion about the Liberal Democrat tax plans. The party's manifesto pledges at the general election add up to far more than 1p on income tax could ever provide. There are plans to phase out the contributory principle for state pensions, proposals for thousands more police officers, and plans to spend millions more on the national health service. In Committee last week on the Teaching and Higher Education Bill, the hon. Member for Harrogate and Knaresborough (Mr. Willis) committed the Liberal Democrats to student support for all those over the age of 18 in higher and further education. That would cost £1 billion. Perhaps that is why there is a little confusion.

Dr. Cable: I have already mentioned two key revenue changes. The first is 1p on income tax and the second relates to higher rates, and we explain those changes specifically and in detail. The hon. Gentleman may have a free copy of the document that shows how the sums balance in the current financial year. All hon. Members may not agree that additional direct taxation is required, but we think it is, and we have itemised the expenditure. Hon. Members may disagree with it, but they should not pretend that the sums do not add up, because they do.

Mr. Plaskitt: If the tax sums add up, why do the Liberal Democrat proposals imply an increase in borrowing of £23.5 billion?

Dr. Cable: Borrowing and debt raise another big issue. In our view, the Government approach to public debt has been excessively cautious. At this stage of the economic cycle, it is not a prudent use of Government revenue to make large-scale reductions in Government debt. Public sector requirements in key services such as health and education, and investment requirements in public transport, for example, require adequate funding. For 18 years, those services were starved, and resources should now be allocated to them. The Government should not prioritise debt reduction.

I have spoken about the broad philosophy, and I shall now deal with petrol duty. We are not hostile to the principle of an increase in petrol duty, which has sound environmental and revenue reasons. Our position on that was clearly set out. We think that the additional revenues from petrol tax should have been hypothecated and set aside for public transport spending. That was the rather different reason why we decided to vote with the official Opposition.

There are three simple reasons for our belief that a modest increase in personal taxation is required. The first relates to revenue that is specifically allocated to specific forms of public expenditure. We have said that the increase in personal taxation should be specifically set aside for education. In that context, we are discussing £1.8 billion. I do not want to rehearse the detailed arguments on education policy because the Committee is discussing taxation policy, but those of us who are on the

[Dr. Cable]

doorsteps helping our councillors encounter two contrasting situations. In many boroughs, education provision is being cut, the number of teachers is being reduced and services are declining. Although the Government are undoubtedly providing additional resources, they are insufficient to offset that trend.

The second phenomenon, which occurs in my borough, is that education services are being maintained. Of course, my borough is committed to education. That is being achieved within capping limits only as a result of major cuts in social services, for example. In other words, insufficient resources are coming through. We believe that the penny in the pound on income tax is necessary to generate the revenue to avoid making such cuts.

Mr. Derek Twigg (Halton): I take the hon. Gentleman's point about council revenues, but I was talking to two head teachers in my local authority of Halton—where social services have not been cut—who told me that their school budgets had increased by £100,000. Indeed, the total increase in education spending has been £2 million—people have never had it so good. I am not sure where all this doom and gloom is coming from.

8 pm

Dr. Cable: The hon. Gentleman cannot travel very widely; if he did, he would hear a very different story. Many councils—Labour as well as Liberal Democrat—are hitting out against capping limits, as the pain that those limits cause is being felt partly in the education system and partly elsewhere.

We support an increase in personal taxation, especially in the basic rate, to fund increased education provision. We also argue for it as a basic economic regulator. Over the past year, we have consistently said that the Government have the mix of monetary and fiscal policy wrong. We have argued that they could have avoided many of the difficulties that they have encountered in the past few months, especially as a result of the appreciating pound and high interest rates, if they had resorted to taxing personal consumption—we believe that that basic intellectual argument still holds.

We also believe—we are explicit about this—that more fairness is needed in the tax system: in other words, there should be income distribution. We shall continue to argue that a modest—not punitive—increase in the basic and higher rates of tax represents the best way in which to make the tax system fairer.

Mr. Collins: The hon. Member for St. Helens, South (Mr. Bermingham) made an elegant speech. Perhaps there is a note of unusual bipartisan agreement, as he seemed to be saying that the test of the Government's success would be whether, in this Parliament, they generated faster growth and lower unemployment than in the years before the general election. I am happy to join him in wanting that as a test, although the Red Book does not suggest that there will be faster growth. He may be right to say that his colleagues on the Treasury Bench are being unnaturally cautious and are grossly underestimating the great growth bonanza that they will produce—we shall see.

We shall also find out whether unemployment continues to fall as fast as it did in the year or two before, and in the year since, the general election, or whether, as increasing numbers of economic experts expect, it is likely to start rising soon. If, as the Government predict, growth slows down and if, as most City experts and others predict, unemployment begins to rise, perhaps the hon. Gentleman will, on the basis of his elegant speech, join me in the belief that the Government's economic policies are not working as magically as he hopes.

I devote the bulk of my remarks, however, to the curious Liberal Democrat position and the speech of the hon. Member for Twickenham (Dr. Cable). The Prime Minister rightly uses the phrase "the magic penny" to refer to the penny on income tax, which, as the hon. Member for Shipley (Mr. Leslie) pointed out, Liberal Democrats expect to pay for everything—the police, the health service, education and all the other massive increases in public expenditure that they want.

The hon. Member for Twickenham said that the Liberal Democrat policy on fuel taxes was wholly consistent. He said that Liberal Democrats had voted against an increase in petrol taxes—even though, in principle, they favoured it—because they wanted the revenue to be hypothecated. It will not be long before we find examples of Liberal Democrat literature in which they make hay out of the fact that they voted against an increase in petrol tax, but I doubt whether they will mention their support for such an increase in principle.

The magic penny is curious. Whatever the basic rate of income tax has been, the Liberal Democrats have argued that it should be exactly one percentage point higher. Now that it is 23 per cent., they want it to be 24 per cent.; when it was 24 per cent., they wanted it to be 25 per cent.; and when it was 25 per cent., they wanted it to be 26 per cent.

One of the points about which the two main parties agree is that there should be a consistent target for the basic rate of tax. The Conservative Government set a target of 25 per cent., and after we had achieved that, we set another target of 20 per cent.—as my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) pointed out, we had made great strides towards reaching that target in the previous Parliament, and would no doubt have gone further if we had won the general election. The Labour party gave the clear commitment in its manifesto that it would not increase the basic rate of income tax—that is a rare example of a pledge that it has kept. Moreover, the Labour Government have a target, as we did.

The Liberal Democrat position seems to be that the tax rate should be one percentage point higher than whatever figure the other two parties pick, as if, whatever the rate is, it is one percentage point below the ideal. That strategy cannot be explained by any analysis of what is needed for public services or the smooth running of the economy; it can be explained only by the fact that the Liberal Democrats want a policy that they believe differentiates them from other parties, in such a way—they naively assume—as to win them votes.

The Liberal Democrat policy is not likely to win them votes, however, as people do not believe that, following the vast tax increases in the previous two Budgets, economic problems will be solved by an increase in income tax. People are saying that they are already paying too much council tax, petrol tax and income tax—they do not want to pay any more. The Liberal Democrat penny strategy is exhausting public patience, and will further undermine what small respect the public have for their economic credibility.

The Chief Secretary to the Treasury (Mr. Alistair Darling): It would be tempting to follow the hon. Member for Westmorland and Lonsdale (Mr. Collins) by launching another attack on the Liberal Democrats, but I shall not. [HON. MEMBERS: "Go on."] Not yet, anyway, as I want first to deal with the points made by the right hon. Member for Wells (Mr. Heathcoat-Amory). I think that I can do that briefly, as he covered familiar ground in setting out his stall.

On corporation tax, we have undertaken a long overdue reform to put in place a modern system, in which managers and investors, rather than the tax man, make business decisions. In the longer term, companies will gain as a result of our reforms.

The right hon. Member for Wells also mentioned the tax burden and tax rises, conveniently overlooking the fact that the Conservative Government lost office largely because they broke their promises on tax. We all remember that, despite the fact that the Conservatives fought the 1992 general election on an explicit promise to reduce tax, they increased it. Those of us with longer memories will remember that, in 1979, Lord Howe, as he now is, said that our accusation that he was planning to double the rate of VAT was a nasty Labour lie, yet, within a month of coming to office, the Conservative Government did exactly that. A decade or so later, they broke another promise on VAT by imposing it on domestic fuel after they had said that they would not.

Moreover, we all remember the 22 Tory tax rises that contributed to the fact that most people were paying more tax at the time of the general election last year than they were in 1992. The right hon. Gentleman is ill placed to attack us on tax—although I understand why he has to do it—as we are keeping our promises. I cannot add anything further on the Conservative position, except to pay a back-handed tribute to my immediate predecessor, Mr. William Waldegrave, as we must now call him. Contrary to the right hon. Gentleman's assertion that Conservatives do not like imposing taxes, Mr. Waldegrave said during an interview on the "Dimbleby" programme, in which I was taking part, that, when the Conservatives increased taxes, they favoured indirect taxes, as the country knew only too well.

I come to the Liberal Democrat attack—if, indeed, that is what it was. In some ways, I feel desperately sorry for the hon. Member for Twickenham (Dr. Cable), as I had the distinct impression that his heart was not in what he was saying. As the right hon. Member for Wells said, the Liberal Democrats chose the subject of this debate. It is well known that, when we have these days on the Floor of the House, the Opposition, in recent years at any rate, have to choose the subjects for debate. The Government of the day—ourselves and before that the Conservatives—always took the view that whatever the Opposition wanted on the days allocated could be the subject of the debate; it is a matter for the Opposition.

The Liberal Democrats asked that we debate this clause, yet tonight we have had seven or eight minutes from the hon. Member for Twickenham, who dutifully set out the Liberal Democrat position. Indeed, it is worth recording that only one other Liberal Democrat Member is present. I know that the Liberal Democrats were a bit down on the previous Division, but they seem to be completely out in relation to the next one.

The clause honours our manifesto commitment. We said that we would hold the top and basic rate of income tax for the lifetime of this Parliament. We have kept and will keep that promise, no matter what the Liberal Democrats or anyone else says. We have also committed ourselves to introducing a lower starting rate of tax, as soon as it is prudent to do so. Why did we do that? We did that because it provides a fair tax system. We want people to have incentives to work and, when they do work, we want to ensure not only that works pays, but that people see the reward for their work. That is the whole point of a fair tax system.

Our reforms—the working families tax credit, when it is introduced, and the reforms to the national insurance system—are all geared to ensuring that everyone, particularly those on lower incomes, who have had a raw deal in the past few years, benefits from the fruits of their labours. That seems to be a principle that is worth promoting and preserving.

Of course, the Liberal Democrats want to increase the basic rate of income tax by 1p, or least so they said tonight in Committee. They do not always say that. Perhaps I could apologise to the hon. Member for Gordon (Mr. Bruce) because I would normally have written to him but, frankly, it never occurred to me that he would not be here to press his attack. However, I am sure that he will understand that I really have to refer to him, in the same way as Opposition Members refer to my right hon. and hon. Friends.

Despite the fact that we are being told tonight that the Liberal Democrats want to put up income tax—because, basically, they feel that it is the right thing to do and that the money raised can go to education, so they say—the hon. Member for Gordon, at the end of March in an interview with the *Herald*, when he was at the Inverness conference of the Scottish Liberal Democrats, which was rather like the Chamber tonight in that the Liberal Democrats did not turn up for that either, said:

"We have business people here today who don't want to hear us saying we'll be putting up your taxes."

That is curious because, in Scotland, the Liberal Democrats, like other parties, hope to win seats at the elections to the Scottish Parliament. There we have the Liberal Democrat finance spokesman saying that business people and others do not want to hear the Liberal Democrats saying, "We'll put up your taxes."

The hon. Member for Gordon went on to say—to put this in its proper context, because I would hate to be accused of quoting anyone out of context—in the context of the Scottish Office budget, that the first thing that we should do is

"dig into that budget to find out whether there are savings to be made."

That is odd, because that is precisely the line that the Government are taking with their comprehensive spending review.

Dr. Cable: Will the right hon. Gentleman give way?

Mr. Darling: I shall in one moment, because I am sure that the hon. Gentleman will want to explain his colleague's position.

Our position is that, in a budget—in the case of the UK, of more than £350 billion—it is inconceivable that spending cannot be better directed to meet the Government's priorities. Indeed, within the first year of our term of office, thanks to the rigorous control that we

[Mr. Darling]

have exercised over public spending, we have directed resources to this Government's priorities. However, an accusation has been levelled against the Liberal Democrats, and I am sorry to say that it is familiar one. It is not just the right hon. Member for Wells who makes it. One or two of us have experience of Liberal Democrats saying one thing in one place and another when it suits them elsewhere.

The accusation is that the hon. Member for Gordon sought to give people in Inverness—I understand why he did it—the impression that the Liberal Democrats did not want to put up their taxes and that, first, they should have a review of, in that case, Scottish expenditure. Why are the Liberal Democrats saying one thing in Inverness and something completely different tonight in the Chamber?

Dr. Cable: I hate to interrupt the Chief Secretary's love-in with the Conservatives on this issue, but, with respect, does he not accept that nothing in the quotation that he has just read contradicts the belief of my hon. Friend the Member for Gordon (Mr. Bruce) that we should have an increase in personal taxation for public expenditure?

Mr. Darling: The hon. Member for Gordon did not say that. His first port of call, rightly, was to examine existing spending. Then he was going to reach a decision on increasing taxation. At the general election, the Liberal Democrats' position was, "Never mind what we spend now: tax is going up by a penny."

I want to explore why the Liberal Democrats are making that point. It is worth bearing in mind this simple fact: 1p on the basic rate of income tax raises about £1.8 billion. This year, so far, since the Government came to power, we have made proposals to invest £2.5 billion in education. There is another difference. Of that £2.5 billion, £1.3 billion comes from the windfall tax on the privatised utilities, which, of course, the Liberal Democrats voted against.

Mr. Baker: Will the right hon. Gentleman give way?

Mr. Darling: I will in one moment.

I was struck by the fact that, again, the hapless hon. Member for Gordon made this point in the debate on the previous Finance Bill. He was criticising us for introducing the windfall tax and said:

"That proves a basic point – billions of pounds cannot be taken out of the utilities and have no impact on ... those organisations."—[*Official Report*, 15 July 1997; Vol. 298, c. 211.]

He must be the only man in Britain who believes that. Everyone else accepts that the windfall tax was fair, justified and eminently payable. Even the privatised utilities accept that, so why not the Liberal Democrats?

Mr. Baker: May I return the Minister to a point that he raised a moment ago? We regularly hear the Prime Minister and others compare spending pledges. Are not the Liberal Democrat pledges for one year, because income tax is calculated in a one-year period? Are not the Government's pledges for the length of the Parliament, and therefore not comparable?

8.15 pm

Mr. Darling: I am going to come on to the Liberal Democrat pledges. The pledges that I am about to go through and to remind the hon. Gentleman about, because he no doubt read his manifesto before he went on the hustings, were by no stretch of the imagination deliverable in one year.

As I was rude about the fact that there were two Liberal Democrat Members in the Chamber earlier, I should record that I think that there are three now, so I need to adjust upwards my estimate of their attack.

Mr. Leslie: Skimming through a few interesting papers, I find a copy of a document entitled "Make the Difference", a supplement to the Liberal Democrat manifesto, which I commend to the hon. Member for Lewes (Mr. Baker). It sets out not a one-year commitment in terms of the 1p on income tax, but a full five-year commitment. Has he not been contradicting himself all the way through?

Mr. Darling: I think that the Liberal Democrats are sometimes prone to read their manifesto selectively, for reasons that I well understand, but the fundamental difference between the Government and the Liberal Democrat party is that we are building a stable economic platform which will provide long-term growth. Without that sustainable long-term growth, we shall not get the public finances into the position that we need to get them into, to provide the services that most of us want.

The Liberal Democrats—I understand why they are doing this, because when they go around the doors, they have got to be able to explain at least to some potential electors what the difference is between them and us, and other parties—are saying, "Vote for us. We will put a penny on education." What remains unsaid, because the Liberal Democrats dare not say it, is that they can say that because they know that they will never be elected and never have to do anything about it.

Mr. Baker: Will the right hon. Gentleman give way?

Mr. Darling: I shall in a moment, because the hon. Gentleman may want to answer this point.

What irritates just a little is that this penny is meant to cover a multitude of promises. The Liberal Democrats want to spend more on education, health, transport, the environment, councils, crime, funding for students, hill farmers and cold weather allowances. Of course, they tell us that the reserve is not high enough either, so it will have to be increased, and they can do all that for a penny, at no cost.

Dr. Cable: Will the right hon. Gentleman give way?

Mr. Darling: I will give way to the hon. Gentleman after I draw his attention to one or two points.

In the Liberal Democrats' 1997 manifesto—time does not permit me to read the whole thing—we find free eye and dental check-ups, an enhanced carers' benefit, phasing out the contributory principle for state pensions, establishing a new partial disability benefit, providing for fees for adult learners, increasing the present number of students in higher education by 2 million—if you please—making improvements in the scope and level of

housing benefit, restoring benefit entitlements to students, restoring benefit entitlements to 16 and 17-year-olds, restoring full income support for under 25-year-olds, substantially increasing investment in public transport, 3,000 more police officers, and investing at least £5 million every year in the NHS—by the way, we are providing £2 billion this year alone. All that for a penny? It simply defies belief.

Dr. Cable *rose—*

Mr. Darling: I said that I would give way, and I will. I should like the hon. Gentleman to deal with those points.

When I read all those promises and listen to his comments, how am I to square them with a note from the Association of Liberal Democrat Councillors of 16 December 1997, which states:

"The constitutional role of an Opposition group is to oppose and not to martyr itself trying to produce a Budget".

Does not that statement say it all about the Liberal Democrats?

Dr. Cable: As for that quotation of our councillors, is not the Chief Secretary to the Treasury aware that education is a local government service, that many of our councillors are running councils, and that many Liberal Democrat-controlled councils—led by mine, as it happens—are at the top of the Government's own tables on education performance? One of the main reasons for our success is that our councillors are willing to use their limited discretion in increasing council tax to fund increased education provision in their council area.

Mr. Darling: I notice that, in March 1997, in the Royal Borough of Kingston upon Thames—I am pleased to call it a "royal borough", although, in 1994, its Liberal Democrat leader, who was an anti-monarchist, wanted to drop the "royal"—the Liberal Democrats voted to cut the education budget by £1.5 million.

The first point is that the Government are providing education funding over and above that planned by the previous Government, and that that increased funding is beginning to make a difference. The second point is that the Government's comprehensive spending review, which is nearing completion, will set our spending priorities not only for this Parliament, but beyond it.

We made it clear in our election manifesto and subsequently that education is a priority. Our actions in delivering education—not only in increased spending, but in the efforts made by my right hon. Friend the Secretary of State for Education and Employment and his Ministers to improve standards—are demonstrating to people that they now have a Government who care about public education and are making a difference.

The difference between us and the Liberal Democrats is that we are making progress, on a steady and sustainable basis, on spending and standards. We are not making ludicrous promises that we know cannot possibly be delivered.

Mr. Baker: For the record—as the Minister knows—the penny on income tax was to be used solely for education. Our other pledges were all identified and costed in our manifesto. The free eye and dental checks were to be paid for by an extra 5p tax on a packet of 20 cigarettes.

However, what is the Minister's view on the ideal taxation level? We have heard that, although a 10 per cent. starting rate will be introduced, the Tory tax levels will be maintained. Presumably, therefore, the Minister thinks that the Tory party got it right in its taxation levels at the end of the previous Parliament. If and when there are budget surpluses in the years ahead, will they be used further to cut taxes or to improve public services?

Mr. Darling: There is an awful lot in that intervention to suggest that the hon. Gentleman is feeling a trifle guilty about his party's position. Nevertheless, the previous Government had to increase taxation because of economic failure. They managed to transform an economic miracle of the 1980s into an economic disaster of the 1990s. I repeat that we shall ensure that our priorities are attained, and that we are building the essential stable economic platform to do so.

In his intervention, the hon. Member for Lewes (Mr. Baker) started to rein in the Liberal Democrats' position by saying that that penny will be spent only on education. However, I have to tell him that, if the Liberal Democrats continue voting against other tax-raising measures, the suggestion is unavoidable that that penny will have also to make up shortfalls elsewhere—unless they are advocating cuts elsewhere.

I mentioned the rise in fuel duties not only because other hon. Members have mentioned it in this debate, but because the Liberal Democrats are trying to have it several ways at once. In his "alternative Select Committee report", the hon. Member for Gordon—whom I mention once again—said that the Government had failed sufficiently to tax consumers. However, when we dealt with a proposal increasing the fuel escalator, which is clearly a tax on spending, the Liberal Democrats voted against it.

Like other hon. Members speaking in this debate, I had always believed that the Liberal Democrats were in favour of taxing fuel for environmental reasons. However, I remember also that, during the by-election in Kincardine and Deeside—which is an extremely large rural constituency—it transpired that the Liberal Democrats were not in favour of taxing fuel in that constituency. Had they been so, they might have found it rather difficult to win the by-election.

At every stage, the Liberal Democrats are in favour of the environment and of taxes on consumers—except when they are confronted with the job of seeing the business through. The Liberal Democrats' history shows that, whenever they are confronted with a difficult decision, they simply back off. They also tend to say different things in different parts of the country. Frankly, their 1p to pay for education improvement is risible.

Mr. Baker: I should like the Minister to return to the questions that I asked and he has not answered. First, does he think that current income tax levels are ideal or still too high? Secondly, if there are budget surpluses in the years ahead, will he use those surpluses further to cut indirect taxes or on public spending?

Mr. Darling: I answered the questions. I am not sure whether the hon. Gentleman was in the Chamber on Budget day or has read anything about the Budget since my right hon. Friend made his statement. If the hon.

[Mr. Darling]

Gentleman was here or read about the Budget, he will be aware of our priorities, which are to remove the taxation burden and barriers facing people who are entering work. Achieving that objective was the entire point of our reform of the tax and benefit system and of our changes to the national insurance system. Those are our priorities. We want to reduce the starting income tax rate as soon as it is prudent to do so to achieve those priorities.

In reply to the other point made by the hon. Member for Lewes, we have been increasing and will continue to increase resources, for education. We have already increased those resources, and, as I said, we are taking action to raise standards—which are as crucial as funding in education. We have funded higher education on a long-term and sustainable basis—which the Liberal Democrats opposed. Returning to the old grant system would itself add 3p to income tax, and would enable us merely to stand still and provide nothing else for schools or other parts of the education system.

There are now three Liberal Democrat Members in the Chamber. I should like to tell them that, last September, I attended a fringe meeting at the Liberal Democrat conference. I believe that I was the first serving Cabinet Minister to do so. I did it because I welcome discussion, debate and information exchange between political parties, to determine how we might better rebuild our country. However, if we are to have such an exchange, Liberal Democrat Members really will have to take a realistic and serious approach to government.

A political party that is serious in aspiring to government needs serious and well-founded policies, which the Liberal Democrats do not have. At this stage of British political development, the Liberal Democrats have a choice. They can either be a party of perpetual opposition or a credible challenger to the Tories in opposition. However, on today's reckoning, they have yet to face up to that challenge. No political party can be serious about being in government unless it can demonstrate that it can sometimes take hard choices and occasionally reach unpopular decisions, if it believes that that is the right thing to do.

In the year that we have been in office, the Government have implemented a substantial number of our manifesto commitments. We have introduced a Bill—the Education (Schools) Bill—to cut class sizes for all five to seven-year-olds. The first £22 million is already being spent on cutting class sizes. We have also provided an extra £1.3 billion to improve school buildings and equipment. The Opposition could not do that because they were against such extra funding.

The national health service is receiving an extra £2 billion, and the NHS internal market is being scrapped. The United Kingdom now has the lowest corporation tax rate of any major industrialised country. Corporation tax in the United Kingdom is at its lowest ever level, which is good for business, good for jobs and good for creating wealth.

We reformed the national insurance system. This year, pensioners are receiving cash payments of £20 to cope with winter fuel bills, on top of cuts to value added tax on fuel to 5 per cent. We are investing receipts from council tax sales to start tackling the huge repair backlog that we inherited. We have taken all those actions while sticking to our pledge not to raise income tax rates.

Mr. Adrian Sanders (Torbay): Will the Minister give way?

Mr. Darling: No, I will not.

We have been able to take that action because people both inside and outside the United Kingdom have growing confidence in the Government's ability to ensure that we build the sound economic platform that we need. On keeping inflation under control, our reforms to the Bank of England have resulted in the United Kingdom's lowest long-term interest rates for 33 years.

The Government take an unashamedly long-term view of what is needed in the United Kingdom. We take a long-term view on how to create the wealth we need to get people into work, to help business and to create job opportunities. Above all, we take a long-term view on ensuring that public finances are in a proper state, so that we can ensure delivery on a long-term basis of the public services that we all need and want.

Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 248, Noes 28.

Division No. 263] **[8.29 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Anger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Barnes, Harry
Battle, John
Bayley, Hugh
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Bermingham, Gerald
Betts, Clive
Blizzard, Bob
Blunkett, Rt Hon David
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Byers, Stephen
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Canavan, Dennis
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cook, Frank *(Stockton N)*
Cooper, Yvette
Cousins, Jim
Cox, Tom
Cranston, Ross
Cryer, Mrs Ann *(Keighley)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dean, Mrs Janet
Dobbin, Jim
Dowd, Jim
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael J *(Worcester)*
Fyfe, Maria
Galloway, George

Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Griffiths, Jane *(Reading E)*
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hanson, David
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Hesford, Stephen
Hinchliffe, David
Home Robertson, John
Hoon, Geoffrey
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Kidney, David
Kilfoyle, Peter
Kingham, Ms Tess
Kumar, Dr Ashok
Lawrence, Ms Jackie
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonnell, John
McFall, John
McGuire, Mrs Anne
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
McWalter, Tony
Mallaber, Judy
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Maxton, John
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Alan
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Alasdair *(Galloway)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pope, Greg
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Ms Joan
Savidge, Malcolm
Sawford, Phil
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Watts, David
White, Brian
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Winnick, David
Wise, Audrey
Wood, Mike
Wray, James

Tellers for the Ayes:
Jane Kennedy and
Mr. David Jamieson.

NOES

Allan, Richard
Ballard, Mrs Jackie
Beith, Rt Hon A J
Bell, Martin *(Tatton)*
Brake, Tom
Breed, Colin
Bruce, Malcolm *(Gordon)*
Cable, Dr Vincent
Chidgey, David
Cotter, Brian
Davey, Edward *(Kingston)*
Hancock, Mike
Harris, Dr Evan
Heath, David *(Somerton & Frome)*
Keetch, Paul
Kennedy, Charles *(Ross Skye)*
Kirkwood, Archy
Livsey, Richard
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Russell, Bob *(Colchester)*
Smith, Sir Robert *(W Ab'd'ns)*
Stunell, Andrew
Tonge, Dr Jenny
Tyler, Paul
Wallace, James
Webb, Steve
Willis, Phil

Tellers for the Noes:
Mr. Adrian Sanders and
Mr. Norman Baker.

Question accordingly agreed to.

Clause 25 ordered to stand part of the Bill.

Clause 27

MARRIED COUPLE'S ALLOWANCE ETC. IN AND AFTER 1999-2000

Question proposed, That the clause stand part of the Bill.

Dawn Primarolo: I shall not speak to the clause for too long, in case the number of Liberal Democrat Members participating in the debates and votes, which has decreased progressively over the evening, falls any lower.

The clause makes changes to the married couple's allowance to help to fund the child benefit increase of £2.50 a week from next April that was announced by my right hon. Friend the Chancellor. It reduces the rate of relief for married couple's allowance from 1999–2000, from 15 per cent. to 10 per cent. The same restriction applies to the allowances and reliefs that are linked to the married couple's allowance: the additional personal allowance, widow's bereavement allowance and the relief for maintenance payments.

The clause will increase the allowances for married couple's where one partner is 65 or older, or 75 or older. For 1999–2000, it will apply indexation to them as though their 1998–99 amounts had been increased to £4,965 and £5,025 respectively. That will leave couples who are eligible for the age-related married couple's allowance in at least as good a position, all other things being equal, as before the change in the rate of relief.

The Government's priority is to support families through supporting children, and my right hon. Friend the Chancellor spelled out that objective in his Budget speech. Restricting the value of married couple's allowance and allowances linked to it to 10 per cent. will allow us to target support to families with children, including the

[Dawn Primarolo]

poorest, who do not pay tax, by raising child benefit by £130 a year. That is the right approach, and I commend the clause to the Committee.

Mrs. Caroline Spelman (Meriden): I feel strongly about the clause, because the Government's one-third reduction in the married couple's tax allowance is a clear betrayal of their pre-election pledge not to increase taxes. It is a hidden tax on married couples. The Library confirms that mortgage payment increases and tax increases under the new Government mean that typical families are £1,000 worse off, and the reduction in the married couple's tax allowance effectively amounts to a contribution of £80 to the general deterioration in their position.

The reduction is not justified economically. The Government inherited a good economic position—public finances were in good shape when they were elected—and it has further improved as a function of the legacy that they inherited. The Chancellor's forecast was that the public sector borrowing requirement for 1997–98 would be £11.9 billion, and it was projected at £6 billion for 1998–99. It has since gone down, and the figures for 1997–98 and 1998–99 are £5 billion and £3.9 billion respectively. The projection is an improving economic position as a result of that legacy, so the Government did not need to introduce this measure.

What I am about to say is fractionally easier for a new Conservative Member, and may pre-empt comments from Labour Members; it is that our Administration once reduced the married couple's allowance. However, the overall trend under the Conservatives was to increase it. It increased in worth from £546—the figure that we inherited from the previous Labour Government—to £700. Only during the period of severe economic recession was there a change of heart in dealing with it.

8.45 pm

I firmly believe—and am free to do so as a new Member—that the Government's proposal is not a desirable way in which to proceed. It is not justified logically in the way that the new Government have presented it. The Minister repeated the position that the Chancellor set out in his spring Budget, saying that the rationale for cutting the married couple's allowance was to fund the increase in child benefit—taking with one hand and giving with the other. However, married couples and those who have children and receive child benefit are not completely interchangeable groups. There is cross-subsidisation affecting couples who do not have children and those who have them but are no longer in receipt of child benefit.

The change hits married couples with one earner, who already bear a disproportionately large share of the tax burden, particularly hard. It also affects married couples aged 40 or 50 whose children have grown up and who do not receive child benefit but whose children are studying at university. Such couples already face the increased burden of tuition fees and the abolition of student grants. It is wrong to think of married couples without children, or with children who have grown up, as rolling in it and having larger disposable incomes. That does not always follow, and the group is being treated unfairly by the changes; it is a patently unfair tax for them. Nor do I believe that the Government's proposals are the right way to deal with child care. The two issues of taxation of married couples and a proper allowance for child care should be kept separate.

The sums do not add up. The revenue from the reduction in the married couple's allowance falls short of what is required to pay out the additional £2.50 a week in child benefit. More money will have to be found.

Mr. Collins: My hon. Friend is making a powerful speech. Will she reflect on the fact that, before the general election, the Prime Minister signed posters that were displayed up and down the land in which he pledged not to increase income tax? Does she agree that this change is clearly an increase in income tax and therefore a breach of that pledge?

Mrs. Spelman: I am grateful to be reminded of that fact, which brings to mind another statement of the Prime Minister on family policy and taxation that leaves me perplexed because it conflicts with the rationale behind the Chancellor's decision to link the reduction of tax allowances with child benefit. I was present when he made his Budget statement, and I read it carefully. At the outset, he said:

"Families are the bedrock of a stable and healthy society".—[*Official Report*, 17 March 1998; Vol. 308, c. 1106.]

The Minister repeated that the primary aim of reducing married couple's allowance to assist child benefit was to support families by supporting children. I draw her attention to something that the Prime Minister said in a speech in Aylesbury:

"For many young women early pregnancy and the absence of a reliable father result in a life of permanent poverty".

My concern about the lack of logic in linking the two things is that it tends to reward having children but to denigrate the significance and importance of having them within the institution of marriage.

Dawn Primarolo: Is the hon. Lady suggesting that couples need the incentive of tax relief to make a commitment to each other in marriage, and that that is their only incentive to make that commitment?

Mrs. Spelman: I am not saying that the tax system is the only means by which the institution of marriage can be supported and reassured—of course it is not. There are other means at the Government's disposal and other institutions within our society to support and encourage marriage. However, there is no question that a cut in the allowance given to married couples acts as a signal to society.

After reading of the slightly differing perspectives of the Chancellor and the Prime Minister, my confusion about the statements on marriage and taxation by senior members of the Labour party is completed by the Lord Chancellor, who said:

"Couples who choose marriage in order to give their children a stable upbringing deserve our strong support."

I am left slightly perplexed by those three statements, each taking a slightly different stand.

The reduction in the married couple's tax allowance sends completely the wrong signal at the wrong time, as, over the past 30 years, there has been a steep rise in the

divorce rate. I am sure hon. Members are familiar with the statistics, but I shall state them again to throw the problem into relief: two in five new marriages now end in divorce, and more than one third of births occur outside marriage.

If the Government's motivation is to increase security for children, perhaps we should look at how children are affected by divorce: 70 per cent. of dependent children live with their married natural parents, but that figure is falling; 20 per cent. live with a lone parent, but that figure is rising; 9 per cent. live with a step parent, which is a function of the rising divorce rate. What signal does the tax change send? It will not help to support marriage as the goal or the ideal environment in which children should be raised and which gives children that very security that the Prime Minister says is so important for the stability of our society. I am not saying that the fiscal regime alone will help to reduce the divorce rate, but the signals we give are important.

Mr. Oliver Letwin (West Dorset): Does my hon. Friend agree that, if the logic that the Financial Secretary was half advancing were true, it would also be the case that a £100,000 tax on marriage would make no difference to people's activities? It must the case that there is some incentive effect in addition to the signal effect of which my hon. Friend so rightly speaks.

Mrs. Spelman: I agree. The Government claim that the primary motivation for the change is that it is a means of supporting families through children alone, but that does not fit with academic research on the subject. The national child development study, which was a longitudinal study of 17,000 children born in 1958—by coincidence, my own cohort—shows indisputably that the married two-parent family provides the optimum environment for the nurturing of children. The children of a committed married father do best on the social indices of health, education and employment. Marriage thereby relieves the state of a potential burden, which is the strongest rationale for assisting marriage through the tax system.

I am sure that hon. Members do not want there to be a reduced commitment to marriage, because that would carry significant costs to the state. Before the election, the organisation CARE carried out research into the costs of family breakdown. A significant proportion of the £100 billion spent on social security can be directly attributed to marriage breakdown and the consequences thereof. Support for lone parents costs £10 billion; the cost to the Treasury of relationship breakdown is £4 billion; and, in a more distantly related but nevertheless recognisable feature of marriage breakdown, youth crime costs the Treasury £1 billion. The Government's welfare-to-work initiative appears to be just one narrow perspective from which to tackle welfare dependency. The underpinning of marriage, as the "bedrock of . . . society"—the Chancellor's words—might be a better way to tackle it.

The logic behind the proposed change is flawed: it sends a confused signal to society; and it leaves the typical family worse off.

Mr. Julian Brazier (Canterbury): In strenuously opposing the measure, I join my hon. Friend the Member for Meriden (Mrs. Spelman) in observing that, in the past few months, the Government and the Prime Minister have said a great deal about the family and about values. Indeed, as the Government said in their manifesto,

"Taxation is not neutral in the way it raises revenue. How and what"

is taxed

"sends clear signals about the . . . values"

Governments

"wish to entrench in society"—

the point that my hon. Friend has just made.

There are two clear reasons why marriage is important to society; my hon. Friend has mentioned both, so I shall be brief. First, marriage is in the interests of the children. The first major study ever published in that subject area is worth quoting, because it came from a socialist sociology professor—not an obviously prejudiced source—Norman Dennis.

Mr. Andrew Love (Edmonton): I do not think that we can allow the hon. Gentleman, as a member of the previous Administration, to make his contribution without commenting on the fact that that Administration not only froze the allowance but reduced it twice. Perhaps he will explain why we now have this about-turn.

Mr. Brazier: I do not defend the cut in the married couple's allowance under the previous Administration. I had, in fact, resigned from that Administration to fight on another issue, and I am delighted that the Conservative party has since changed its policy. Indeed, it did so before the general election, and the manifesto on which I fought was committed to another policy, which I shall say something about later.

The Norman Dennis academic study—in my opinion, one of the best that has ever been carried out on the family—showed that, within individual socio-economic groups, comparing like with like and income with income, children born of and raised by married couples, whether or not they were adopted or the natural children of those couples, did consistently better across every major index. They were less likely to fall into crime. *[Interruption.]* I see nothing amusing about that. Perhaps the hon. Member for Edmonton (Mr. Love) would like to intervene again. Children born and raised in married couple households were less likely to become involved in drug taking, more likely to perform well at school and more likely to obtain the type of worthwhile employment that hon. Members from all political parties seek for our young people.

It is in the interests of children, therefore, that marriage be encouraged. It is also in the interests of the taxpayer. I shall not repeat the statistics that my hon. Friend the Member for Meriden cited, showing how much the taxpayer loses as a result of family breakdown, but I should like to give a further statistic which, to my mind, encapsulates the whole picture, for children's interests—because, as far as I know, no one denies that stable relationships are better than unstable ones for children—and for the taxpayer, given that most broken relationships end up being supported by the taxpayer.

The Library dug up that statistic for me two or three months ago, from the standard sources of social statistics. A child born 10 years ago to a married couple has an 81 per cent. chance that its parents are still married. If a

[Mr. Brazier]

child was born 10 years ago to an unmarried couple in an allegedly stable relationship, in 85 per cent. of cases that couple, if they did not later marry—of course, in some cases, they did, which is welcome—have now separated. It is the difference between an 81 per cent. chance of continuing stability with marriage and a 15 per cent. chance in its absence.

Mr. Letwin: Does my hon. Friend agree that that interesting evidence is paralleled in almost every major country of western Europe?

Mr. Brazier: Indeed—and in America, Australia, Canada and New Zealand.

The hon. Member for Edmonton made the fair point that my party cut the married couple's allowance. I did not support that, and I thought at the time that it was a mistake. I maintain, however, that there is no hypocrisy in our voting against this measure, because we fought on a manifesto that included the most imaginative tax proposal to emerge from the Conservative party in the past decade: the transferable tax allowance. It would recognise the work of the non-working spouse—usually but not always the mother—who chooses to stay at home to look after children or a dependent relative. That idea was recently endorsed by our new leader. It would recognise the importance of marriage and the vital role of those who stay at home to care for children or relatives.

I find it extraordinary that the Government should simultaneously introduce measures providing public money to encourage the care of children by everyone except their parents or relatives, and strike out against marriage in this extraordinary fashion.

9 pm

Mr. Howard Flight (Arundel and South Downs): There are two aspects to the subject under debate: the general level of taxation on the average family, and the married couple's allowance. As a new Member of Parliament I was self-evidently not involved in the events before the election. I disagreed strongly with the direction in which both parties were heading, which was to make the tax system for marriage at best neutral and at worst a disincentive.

Taxation on the average family has been increasing far faster than the growth in national income. The new Administration have continued that trend; after one year, the average family is paying about £1,000 more in tax.

Mr. Dale Campbell-Savours (Workington): Is it not a rather nauseating spectacle to watch Conservative Members queueing up to dissociate themselves from the brutal decisions taken by the former Administration, supported largely by people sitting on the Opposition Benches this evening who never rebelled and who always voted for those monstrous measures?

Mr. Flight: As an enlightened member of the Labour party, you will not, I hope, do the same thing this evening. If you care about these matters I am sure that you will vote against—

The Second Deputy Chairman of Ways and Means (Mr. Michael Lord): Order. I am not responsible for any of these matters.

Mr. Flight: I apologise, Mr. Lord. I am sure that the hon. Gentleman will heed his own comments. If he believes in supporting the married family unit, I am sure that he will not want to vote for measures that discourage that unit.

Mr. Campbell-Savours: Let me make my position clear: I support precisely what the Government are doing. We are standing by our election manifesto, and I for one will not dissociate myself from it in five years' time.

Mr. Flight: The Labour election manifesto did not mention increasing taxation, yet you have increased taxation substantially. Your Prime Minister—

The Second Deputy Chairman: Order. Hon. Members, when they get carried away, sometimes fail to use the correct parliamentary language. I would ask the hon. Gentleman to try to do so from here on.

Mr. Flight: I apologise again, Mr. Lord. I care a great deal about these issues, it is true. The Prime Minister of the new Government is pledged to support the family unit, which is why I am surprised that the hon. Member for Workington (Mr. Campbell-Savours) should be so complacent about the increases in taxation being imposed and about this attack on married families.

As we have heard, at the last election we Conservatives saw the error of our ways. The transferable allowance was an important step and a major change. The Conservative party in the new Parliament is unanimously committed to tax measures to support the family.

Some hon. Members may have read an interesting article in *The Economist* on the impact of the Government's family credit measures. It suggests that a married father will need to earn somewhat more than £400 a week for him to be worth having as a spouse, and he will also need to have fairly frugal habits, or the wife and mother is better off without him as a husband. Does that encourage the married family unit? It reveals the fundamental weakness of the Government's family credit proposals.

The Committee does not need convincing that children grow up better with two parents. That is shown when the crime figures are considered and when the children's educational attainment and subsequent careers are reviewed. It is established across the board that the prospects of children are enormously improved if they grow up with two parents looking after them.

Mr. Love: I thank the hon. Gentleman for giving way. The married couple's tax allowance is paid to unmarried couples. In some circumstances it is paid to a single family member. Will the hon. Gentleman comment on the chaotic way in which family supplement is currently guaranteed? My right hon. Friend the Chancellor stated:

"The only way to make sense of a chaotic system is to make our primary aim that of supporting families through supporting children."

Mr. Flight: There may be anomalies in the present married couple's allowance and there may be ways of tidying it up. All of us want to help children, but the hon. Gentleman misses the point. The crucial question is what signal we are sending to our society. Are we sending a fiscal signal which says that marriage is a good system in which to bring up children, or a fiscal signal which says that we care not at all and want to discourage marriage?

I speak to my friends in India, who say that we are mad as a country to lose the stable base of our society.

Mr. Love *rose—*

Mr. Flight: I have given way sufficiently. The hon. Gentleman will no doubt have a chance to make his own speech.

It was argued that the reduction in the married couple's allowance was needed to help finance the increase in child benefit, which it does not finance in its entirety. Furthermore, we have heard that the rules need tidying up. The question of who qualifies for the allowance, especially in cases of divorce, is complex and anomalous. I do not deny that, but it is no excuse for reducing the allowance still further.

We have problems with housing. We are destroying our countryside. The problems are caused not by a massive growth in population, but by a massive growth in the number of single owner-occupiers. We are endeavouring to feed that trend by provision to meet the alleged demand for such housing. As a society, through our housing policy and our tax policy, we send the signal that we are not interested in supporting the married unit in which to bring up children.

There is great hypocrisy in what the Prime Minister says and the example that he looks to set to society as a married Christian gentleman with a happy family, while the Administration, possibly with the best intentions for children from difficult backgrounds, does not provide the fiscal support that the Conservative Government failed to provide for the married family unit. We will destroy ourselves as a people if most of our children, from all walks of life, do not grow up with that security. I pledge myself, and whatever time I may have in politics, to ensuring that we reverse that trend and return to a decent society where children are brought up in families where the parents are married.

Mr. Letwin: Much that my hon. Friends have said is so eloquent and covers so much ground that there is little for me to say about the various aspects of the matter. However, there are some points to add. The first arises from the debate. The Financial Secretary made an intervention and, the more one reflects upon it, the more extraordinary it becomes. The Financial Secretary is a member of a Government who, throughout the Budget debate and other debates, have asserted that tax policy can have a huge effect on behaviour.

I was privileged to listen to a bravura reading by the Financial Secretary of large amounts of text provided by her officials, which explained why long-termism in investment would be encouraged by a taper in place of indexation. She may be right: it may incentivise long-termism in disinvestment—but let us leave that aside for a moment. There is no doubt that the measure will affect behaviour.

We are told repeatedly that the Government have reformed and now understand capitalism and the laws of supply and demand—and, in other words, understand that prices and taxes have an effect on behaviour. If those propositions are true, it must also be true that the taxation of marriage or the lack thereof or positive incentives to marriage will gradually—I do not claim that people will marry in order to secure a particular gain—affect behaviour over time. If the Financial Secretary seriously challenges that view, she undermines the basis of her Government's actions throughout the Budget and most of their future progress.

My second point has to do with the combination of the Chancellor and the Minister for Welfare Reform. I suppose that, following the intervention by the Deputy Prime Minister in the environmental sphere, we should think of them as a sort of "Brown-Field". That "Brown-Field" is facing a serious problem. The "Field" aspect of the "Brown-Field" believes that there is a huge problem with single-parent families. Over many years, the Minister for Welfare Reform has eloquently written books that some of us absorbed virtually in our childhood, about the need to tackle the problem of the one-parent family. Many of us have come to believe that he is absolutely right.

The right hon. Gentleman has spoken not just about that, but about the urgent need to ensure that the welfare system—which he, the Government and Ministers present in the Chamber believe is so intimately tied to the tax system—does not provide incentives to vice. I think that I have quoted the Minister more or less ipsissima verba. By vice, he meant something very old-fashioned: raising children outside a stable relationship. That is what the "Field" part of the "Brown-Field" wants to achieve.

The "Brown" bit of the "Brown-Field" has put before us a set of quite different measures, which provide an incentive not to begin the business of raising children—the Financial Secretary cannot argue that it is otherwise—according to what my hon. Friends have amply demonstrated is history's best method of keeping parents together for the sake of the children. There is a clear contradiction between two parts of a policy—both of which, ironically, have been announced and brought to the House in the same year. It is perhaps the most extraordinary example of the laws of unintended consequences and attempts at social engineering utterly defeating each other. *[Interruption.]* I do not defend, any more than do some of my hon. Friends, the actions of the previous Government towards the end of their tenure. *[Interruption.]*

The Chairman of Ways and Means (Sir Alan Haselhurst): Order. I am sorry to interrupt the hon. Gentleman. I must inform the hon. Member for Workington (Mr. Campbell-Savours) that I do not want to hear a sedentary chorus.

Mr. Letwin: Thank you, Sir Alan. I was rather enjoying that sedentary chorus, but I am grateful to you for silencing it.

I do not defend the actions of the previous Government—in fact, I think that they were wrong and shameful. They were not ill intentioned—just as the acts of this Government are not ill intentioned—but they had bad effects and were likely, over time, to have bad effects. It was a great symptom of the ability of the previous Government to think about the consequences of their actions and to remedy mistakes that in the closing days of that Administration they brought forward the only policy that so far has been put before the country or the House of Commons that might have reversed the position that we are discussing. The transferable tax allowance could have resulted in the financial advantages of marriage,

[Mr. Letwin]

which is in part an economic unit, being greater than in 1979. I have not been able to ascertain the exact position, but I think that the advantages would have been greater than at any other time in recent British history.

9.15 pm

That is the measure which those of us who have been speaking against the clause have been using as a basis for our arguments. It is the reason why we would have been in favour of the amendment tabled to it, had it been selected. We believe, I think unanimously on the Opposition Benches, that the transferable allowance is an answer that could have been adopted by the Government, and would have been adopted by them if they were serious about the position of marriage.

I move on to two possible attacks. First, it might be argued that the position that my hon. Friends and I have been advancing is somehow illiberal: that marriage, somehow, may be a life style choice—one among many—and that it is authoritarian, or evidence of an attempt to use the state, to teach people how to lead their moral lives, or an attempt to argue that the tax system should consciously favour rather than disfavour marriage.

If we were saying that marriage itself should be favoured as a way of life, regardless of children, it could be argued that we were adopting an illiberal position. I believe that marriage as between a man and a woman living together may in any event be preferable, but that is a matter entirely for those individuals, involving their conscience, their moral outlook and their religion. It is not a matter for the state.

The reasoning that has been repeatedly advanced by my hon. Friends is not illiberal. We are not advancing an uncaring or authoritarian reason, but one that is based on the interests of children, in trying to give children the best chance of a stable upbringing. I do not think that anyone could argue that that case should be dismissed on the ground of illiberalism.

Nor can it be argued that there is any substitute for this incentive, in producing changes in taxation or welfare that benefit children. It has been argued implicitly already by the Financial Secretary that the clause is to be welcomed because it is to be seen as a natural substitution for what was previously a tax subsidy for the married couple. Now, hey presto, there is a further tax subsidy for children themselves. How kind. How caring. How much a measure to look after our children is it, that we are moving from merely giving a tax advantage to giving increased child benefit, a move that will have a direct effect on children?

The interesting feature of that approach is that it contradicts the logic that the Financial Secretary was advancing, and goes beyond that to suggest that the hon. Lady and her colleagues are engaging in the view of children that Marx described as commodity fetishism. The Minister is arguing effectively that what looks after children best is a little more money for them. That is not a case that the Opposition would accept for a moment. It is our contention—this should appeal to those who believe that in the end, as all good socialists should, money is not the be all and end all—

Mr. Brazier: Does my hon. Friend agree that the Government have endorsed the view that he has outlined, with statements from the Lord Chancellor about the importance of marriage and of providing Government funding for marriage counselling?

Mr. Letwin: My hon. Friend is right. We are saying that it matters far more to children that there should be a stable relationship between the parents than that there should be a bit more money, whether it be for child care or in child benefit. That is not to say that some more money may not help children, but the brunt of our argument is that it is vastly more important that the money be used over time to engender a structure of society in which children can expect throughout their childhood to have a stable family background than it is to improve their mere economic lot.

If we inspect the proposals as a whole, we see that they are not merely incoherent but will tend to have the opposite result, for the very reasons that some of my hon. Friends have begun to expose. The child care package within the working families tax credit arrangements is remarkable, and it relates in a remarkable way to the clause. It gives couples, whether married or not, an incentive to farm out their children to some other person to look after them.

Mrs. Ann Winterton (Congleton): I am enjoying the speech of my hon. Friend, who speaks for most Conservative Members. Will he reflect on the position in which I found myself some years ago, when I chose to stay at home to raise my children rather than go out to work? I hoped to give my children a sense of identity and security, which nothing but the presence of their mother could give them, by being there when they came home from school. Will my hon. Friend comment on the fact that people who choose to do that rather than to enhance the family's earning power are treated almost as second-class citizens? Do they not do the most valuable job that can be done—nurturing the next generation and giving them a sense of security and identity, which is vital for their eventual well-being?

Mr. Letwin: I thoroughly agree with my hon. Friend, as I often do. However, the picture is even worse than she paints. Under the "Brown-Field" proposals, she would have had a double choice. She could have engaged in an elaborate fraud and pretended that, in looking after her own children, she was looking after her neighbour's children, and her neighbour could have done likewise. She would thereby have obtained the better part of £100 a week in subsidy from the state. Alternatively, she could have abandoned genuinely looking after her own children and looked after her neighbour's children. All my hon. Friends agree that that would be to the great disadvantage of both sets of children. She would have thereby legitimately benefited from £100 or more a week.

The logic of the package of proposals is clear. It runs roughly like this: first, we ensure that there is the least possible incentive to get married. I suppose that we shall merely continue the ratchet until we have removed the married couple's allowance and perhaps even taxed marriage. That minimises the chance of a stable family background for children. We then ensure that, as far as possible, mothers or fathers do not stay at home to look after the children, but go out either to work or to look after other people's children—or both. Finally, we ensure that, if the mother or father chooses to stay at home, he

or she must either be engaged in an elaborate fraud or must sacrifice the £100, and may not benefit from the transferable tax allowance, which the Conservatives would have offered.

Mr. Brazier: Before my hon. Friend leaves the subject of child care and the problems that it throws up in terms of injustice and scope for fraud, will he say whether he has looked closely at the Swedish model of the 1970s and 1980s? It is perceived that public spending generally in Sweden broke the back of the Swedish economy and eventually led to the kind of cuts with which we have been familiar for the past few years. In reality, a single item of public spending—the cost of child care—caused that to happen, as the economy went into a vicious cycle. It was exactly the cycle that my hon. Friend has described, but with one extra feature, which is just beginning to rear its head here: an increasing demand for nationally—

The Chairman: Order. The hon. Gentleman is beginning to lose sight of the distinction between an intervention and a speech. That still applies in Committee. I call Mr. Letwin.

Mr. Letwin: I feel sad not to have heard the end of my hon. Friend's remarks. Although I admit that I am not in the habit of inspecting Swedish models, I have inspected at length the arrangements in Sweden to which he refers. He is absolutely right: there is no doubt whatever that, if not the sole cause, at least a major cause of the catastrophic implosion of the Swedish welfare state was the child care proposals. If we are to believe the Institute for Fiscal Studies, we shall probably have a similar explosion of expenditure in this country. The IFS estimates that the child care package will require about £4 billion a year of expenditure.

That £4 billion is the final factor in the sequence of logic that I was describing. Even when, contrary to the signals and incentives provided by the state under this so-called enlightened Government, the couple have married and are sticking together, the mother—or sometimes the father—may go out to work and look after someone else's children. We shall have a nation of people who have been brought up outside the married unit by persons other than their parents.

Mr. Gibb: Will my hon. Friend help me to understand the discrepancy between the Government's estimate of the cost of the child care tax credit, at £250 million a year, and the IFS's estimate of £4 billion a year? Can my hon. Friend illuminate the discrepancy?

Mr. Letwin: I think that I can easily illuminate the discrepancy, although I am sure that my hon. Friend knows the explanation. The discrepancy is straightforward. The estimate made by optimists in the Treasury—whether Ministers or officials we shall never know—assumed that there would be a slight take-up of the child care provisions, whereas the IFS, whose view I entirely share, made its estimate on the assumption that, faced with the choices that my hon. Friend the Member for Congleton (Mrs. Winterton) mentioned, most mothers would either go out to work and look after someone else's children, or engage in the legitimate fraud that I described, of swapping children to look after.

Mrs. Louise Ellman (Liverpool, Riverside): Does the hon. Gentleman agree that his comments distort the Government's proposals, which extend choice and react to a known need? If the Conservative party is concerned about families and children, why did it take the election of a Labour Government to produce the largest ever increase in child benefit?

The Chairman: Order. Hon. Members are beginning to lose sight of the distinction between the child care proposals and the married couple's allowance. I hope that the hon. Member for West Dorset (Mr. Letwin) will recognise that distinction.

Mr. Letwin: I shall try to follow your admonition, Sir Alan, although I must say that, if the hon. Member for Liverpool, Riverside (Mrs. Ellman) had been present a little earlier, she would have heard Conservative Members contend that incentives to marriage, which creates stable relationships, cannot be replaced by financial advantages related to children. Children benefit more from relationships than from money.

Mr. Love: The hon. Gentleman referred to signals and incentives. I mentioned the inherent confusion in the system between married couples, unmarried couples and single mothers. How are we getting clear signals and incentives?

Mr. Letwin: I am glad that the hon. Gentleman raised that canard, because I had intended to deal with it earlier. The Chancellor brought to our attention a particular phenomenon. Under the married couple's allowance as it is currently administered, if couples divorce in a year, they continue to receive the allowance. Indeed, I do not think that the Inland Revenue would know how to deprive them of it. If the Chancellor believes that that should be used as an excuse for wrecking an entire system of incentives, he is unaware of the dictum that difficult cases make bad law.

By and large, the married couple's allowance is exactly that: an allowance for married couples. Married couples the length and breadth of the country know that perfectly well. The transferable tax allowance, had it been introduced—we hope that it will be in due course—would have had exactly the same effect. People who enter into such relationships are not stupid, and they know, roughly speaking, what is going on. The fact that there are some anomalies we can happily leave to one side.

Mrs. Ann Winterton: I am grateful to my hon. Friend for giving way, because he has been generous in allowing interventions. The hon. Member for Riverside said that the new Labour Government had extended choice.

The Chairman: Order. I am sorry to interrupt the hon. Lady, but I am sure that she above all knows that she should not speak with her back to the Chair.

Mrs. Winterton: You are quite right, Sir Alan, and I apologise humbly. It was extremely rude of me to turn around. During the years when I was a member of the Chairman's Panel, I called many hon. Members to order on that score, but this is the first time that it has happened to me. It just shows how easily we forget, and I apologise again.

Let me return to the subject of the married couple's allowance. Is it not a fact that, had they so wished, the new Labour Government could have extended choice in

whatever way they wanted without affecting the allowance? Is it not also true that the action that they have taken, and the strong signals emanating from the Labour Benches tonight, suggest that the Government do not rate marriage—which is to the detriment of children?

9.30 pm

Mr. Letwin: My hon. Friend is entirely right. She also reminds me that I should have answered the point made by the hon. Member for Riverside about choice. I think that what underlay that comment was the idea that this was purely a question of a neutral life style choice. That is a pernicious idea. It applies to adults in relationships, but it does not apply to children. Children do not enter this world by choice, and they do not have a choice about how they are brought up. It is therefore of the greatest importance for adults to be guided into a choice that enables children in later life—because they have grown up in a certain way—to make choices on an informed and mature basis.

At the end of all the logic, there is a proposition that I do not think Labour Members can possibly deny. The sum total of their proposals—the "Brown-Field" proposals—is that people should as far as possible be given at least a minimal incentive to marry, and the maximum incentive not to look after their children. I cannot believe that Labour Members really want that to happen. I find it extraordinary.

If the Government were arguing that that was the way in which they wanted British society to be structured, among other things they would not be where they are in the opinion polls today; but at least the position would be straightforward, and policy would flow. *[Interruption.]* I think that the effects of such a proposition would be profound and dramatic. Millions of people—including nearly all my constituents, divided as they are on many other matters—would find it a thoroughly repugnant notion. That is why the Government never say that they want anything to be done.

In fact, I do the Government an injustice. I do not believe that Ministers, or any of the "Brown-Field" mafia, want to bring about such an effect; I think that they have simply designed a set of proposals each of which is intended to have some other effect. The reduction in the married couple's allowance in particular is meant to fund variously described benefits—the child benefit increases, or perhaps the child care package. The child care package, in turn, is intended somehow to overcome the problems of single mothers, for instance, who are trying to return to work.

Each of the proposals has its own logic. It is a logic that we can understand and with which, in many ways, we can sympathise, but unfortunately the whole package has been produced without any thought being devoted to the long-term social consequences. That is a catastrophe. The Government probably did not want to engender that catastrophe, and, if they have any sense, they may reverse it—I hope not after 18 or even five years. I hope that they will do that, just as after five years of doing the wrong thing—I freely admit that it was the wrong thing—we reversed what we were doing. We learned, and we should not be ashamed of having learned. Indeed, we should be proud of it. What the present Government must now do is realise the effect that they are having, and learn the same lessons.

Mr. Gibb: I, too, oppose clause 27, which we should not forget is a tax-raising clause. I am reminded of what happened during the general election campaign. The right hon. Member for Sedgefield (Mr. Blair), now Prime Minister, said on 21 September 1996—*[Interruption.]* Would the hon. Member for Workington (Mr. Campbell-Savours) like to intervene? If not, I shall continue.

On 21 September 1996, the right hon. Member for Sedgefield said in Birmingham—as reported by the *Financial Times*:

"We have no plans to increase tax at all."

On 8 April 1997, during the general election campaign, the Chancellor told GMTV:

"There's no black hole for the Labour party because we've got no public spending commitments that require extra taxes."

However, within two months of coming to power, Labour introduced 17 tax rises, including the £5 billion a year hit on Britain's pension funds. Labour won the election on a clear pledge that it would not raise taxes but, after two months and a Budget in which the Government raised taxes, the general election pledge was reinterpreted. It was no longer to be regarded as a pledge not to raise taxes, but as one not to raise income tax. The Government were free to raise taxes in other areas.

On 17 March, the Government announced the reduction in the married couple's allowance. That reduction is incorporated in clause 27, and it will raise for the Exchequer £720 million in 1999-2000 and £1.08 billion in 2000-01. On top of that, the MIRAS change and other measures raised income tax bills. As a result of clause 27, the take-home pay of people who claim the married couple's allowance will fall. After the March Budget, the Government reinterpreted again their general election pledge. It became not a pledge not to raise taxes or income tax. Lo and behold, it became a pledge not to raise the basic and higher rates of income tax. Hon. Members may say that there were posters all over Britain making it absolutely clear—

The Chairman: Order. I think that the hon. Gentleman knows that he is going much wider than is permitted in the discussion of the clause. One fleeting reference to its subject matter is not enough.

Mr. Gibb: My point is different from those of my hon. Friends. It is that clause 27 is the Bill's key income-tax-raising measure. It raises more tax than almost any other Budget measure. It will raise £1 billion next year, and it is therefore an income tax rise and completely in breach of a general election pledge. I have raised the issue in debate and in Treasury questions, and the Chief Secretary and the Chancellor have said that, during the general election campaign, they made no such pledge, that the only pledge they made was not to raise income tax rates. In my view, Labour pledged not only not to raise income tax, but not to raise taxes generally.

Mr. Philip Hammond (Runnymede and Weybridge): I am listening carefully to my hon. Friend, and I agree with much of what he says. Does he agree that the linkage

to increases in child benefit is purely bogus? Does he further agree that the Treasury routinely resists hypothecation of taxes but, when it is convenient, the Government put up a smokescreen by the bogus linking of an unpopular tax increase that is contrary to their manifesto commitments to a popular increase in another benefit?

Mr. Gibb: My hon. Friend is right, and I am grateful to him for that explanation.

My party's proposal at the general election of a personal allowance that was transferable between married partners would have achieved far more than the married couple's allowance ever could. It would have done much to remedy the unfairness to the spouse who remains at home to look after children or the house. Such spouses who work at home cannot claim any value from the personal allowance to which they would be entitled if they were working. The transferable tax allowance would enable people to benefit from the personal allowance even if they were not working. One of its key aspects is that it would have helped people off welfare and into work. It would have given people who earn a relatively low salary—£8,000 or £10,000 a year—at least £8,000 of tax-free allowance.

The clause is the Government's key tax-raising measure. It will raise £1 billion in tax, which is equivalent to 0.5p on the rate of income tax. It is a clear breach of the Labour party's general election pledge not to raise income tax. I urge the Committee to reject the clause.

Mr. Michael Fallon (Sevenoaks): The debate has been refreshing, as it is not often that we properly discuss marriage. It has also been hopeful, as so many new Conservative Members have spoken. They have concentrated not on the details of past tax changes, but on what is likely to work in the future—we have seen a glimpse of the new Conservatism.

I congratulate my hon. Friend the Member for Meriden (Mrs. Spelman), who is a former constituent of mine, on her exceptional speech, which was as eloquent as it was practical. She made the important point that the system sends out signals.

My hon. Friend the Member for Canterbury (Mr. Brazier) has long championed family values. He, too, reminded us of the Conservative party's forward-looking manifesto commitment to transferable allowances, to which I shall return.

My hon. Friend the Member for Arundel and South Downs (Mr. Flight) well illustrated the weaknesses of the proposed family credit system, and emphasised his personal commitment, in the new Conservatism, to family values and the importance of marriage.

My hon. Friend the Member for West Dorset (Mr. Letwin) skilfully contrasted the moral and fiscal views of marriage, and made the very important point that children, unlike adults, cannot make life style choices.

My hon. Friend the Member for Congleton (Mrs. Winterton) made an important speech, in which she spoke about her work in giving her children a sense of identity. I am bound to say that the Committee may find the idea hard to take that the children of my hon. Friend and of my hon. Friend the Member for Macclesfield (Mr. Winterton) lack a sense of identity, but her point was well made.

Finally, my hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb) reminded us of Labour's broken promises. Having acquired a tattered copy of Labour's somewhat battered manifesto, I shall return to that point.

The Financial Secretary devoted much of her defence of the clause not to the cut—in fact, she said only that the Government had made changes to the married couple's allowance—but to the fact that the allowance had been indexed for older couples. Last night, she generously accepted the principle behind amendment No. 14—that gaming duty in casinos should be indexed. If indexation is good enough for casinos, it should be good enough for families. I am disappointed that the clause does not provide for indexation for married couples.

Let us be clear about the clause: it cuts the married couple's allowance by a third, from 15 per cent. to 10 per cent. in April next year. It raises tax—£700 million next year and £1 billion in the following year. Most couples will be £80 a year worse off. This is a marriage tax. It is a tax on families, and we oppose it.

Contrary to the proposal that is before us, the purpose of our manifesto pledges was to strengthen the family and to build on the married couple's allowance. We put forward an imaginative proposal, to which several of my hon. Friends have referred, to ensure that personal allowances that, at the moment, cannot be transferred from the non-taxpayer to the tax-paying spouse, should be so transferred. Those non-taxpayers who, like my hon. Friend the Member for Congleton, give up work to look after their children or a dependent relative, lose out twice: on the income that they deny themselves and on the value of the allowance. Therefore, we pledged to modernise the system to allow a married carer or a married parent to transfer allowances to working spouses.

9.45 pm

Some 2 million one-taxpayer couples who had children or dependent relatives would, on average, have gained £17.50 per week—exactly the same couples who will now lose £80 a year. Under our system, there would not have been losers. Of course, double tax-paying couples would not have benefited and, overall, there would have been a cost of some £1.2 billion a year. We wanted to help families and to strengthen marriage.

This debate is apposite. On 27 April 1997, a year ago this week, the Chancellor of the Exchequer told Channel 4:

"I want to see tax cuts for the ordinary family".

Ordinary families do not get much recognition in this Bill. Hard-working families who spend on their children, save for their future and do not claim benefit, often feel that they are the forgotten families. They do not get the largesse, the special allowances or the giros, yet it is on those families that our country's social core and we depend to bring up the next generation in stability and with responsibility. Instead, by this clause and by this Budget, without warning, they get hammered.

Labour Members—not one has risen to defend the clause—will recall that there was no mention of this cut in Labour's manifesto. Indeed, it claimed:

"We will uphold family life as the most secure means of bringing up our children.

We will keep under continuous review all aspects of the tax and benefits systems to ensure that they are supportive of families and children."

[Mr. Michael Fallon]

There was nothing in the manifesto about the cut in the married couple's allowance that is being brought forward in this Budget. Indeed, there is nothing in the manifesto about marriage itself; the word "marriage" cannot be found in it. I said "a word". It is true that, on page 26, there is a picture of a bride who is doubly happy—partly because it is obviously her wedding day and partly because she did not, of course, know then that the married couple's allowance was going to be cut just a year into her marriage.

One year on, this Government have betrayed the ordinary family. They have broken their election promise. They are cynically taxing the heart of our country. We say that this is a tax too far. The Bill is bad enough. It is long enough. I advise my hon. Friends to shorten it, to strengthen the family, to underpin marriage and to delete clause 27.

Dawn Primarolo: There is something particularly repugnant about Conservative Members lecturing everyone else on morality. I am reminded of their lectures to us all in their back-to-basics campaign, in which they themselves failed so appallingly to reach the heights of morality that they were prescribing for others. Today's debate should be characterised as "new conservatism, no responsibility". Conservative Members have taken no responsibility for the mess that was created over 18 years by the previous Administration.

Although each Conservative Member speaking in this debate was quick to mention the Government's betrayal, they were also quick to denounce and distance themselves from the previous Government. Many of them must have voted Labour to ensure that that wicked Government were not re-elected, so abysmal was their performance.

I should remind the Committee of the previous Government's legacy, and of the mess—the chaos, as it has been described in this debate—in which they left taxation of married couples. They left a situation in which the state provides married couples with a tax allowance, but in which the state will pay exactly the same amount at exactly the same rate to unmarried couples with children, regardless of whether those couples have ever been married. Moreover, the state pays exactly the same amount at the same rate to single parents as to married couples. Indeed, the state pays the same amount, for up to one year, to couples who separate or divorce, regardless of whether they have children.

Such was the previous Government's confusion in attempting to develop, we are told, a coherent policy on the family that the mind boggles in attempting to contemplate what they were trying to achieve. Conservative Members have shown great audacity in attempting to lecture Labour Members on the matter.

Sir Alan, I do not know whether I should declare an interest, but I am married—although only because of personal commitment to my husband and not because someone provided me with an incentive to do so.

Mr. Oliver Heald (North-East Hertfordshire): Will the hon. Lady give way?

Dawn Primarolo: The hon. Gentleman did not participate in the debate—such is his motivation to defend the family. I can therefore think of no reason to let him intervene.

Mr. Letwin *rose—*

Dawn Primarolo: If the hon. Gentleman will allow me to finish my point, I shall give way to him, as he participated in the debate.

Such is the confusion in the current system that, if a married couple with children split up, both the man and the woman may receive for up to one year the equivalent of the full married couple's allowance. Therefore, under the previous Government's policy, a separated couple may receive up to twice the allowance received by a married couple.

The fact is that 3 million children are living in poverty. How can Conservative Members lecture us about family security and stability under the previous Government's policies? Perhaps the hon. Member for West Dorset (Mr. Letwin) would like to answer that question.

Mr. Letwin: I was actually planning on asking the Minister whether she is making the argument—which she has half-repeated—that financial incentives have no effect on social behaviour?

Dawn Primarolo: I am arguing, on behalf of the Government, that policy directed to supporting families should concentrate on children—as my right hon. Friend the Chancellor of the Exchequer has stated. The Government—faced with the prospect of confusion in the tax system and with so many children living in poverty and in workless households—are trying to right the situation.

It is ridiculous for Conservative Members to claim that, in government, they were in favour of stability and security for children. They froze child benefit, and it took the election of the present Government to secure the largest rise ever.

Despite the fact that he voted with the Conservative Government when they cut the married couple's allowance, the hon. Member for Canterbury (Mr. Brazier), the president of the Conservative Family Campaign, now tells us that they got it all wrong. He has changed his mind and thinks that there is another way forward. I encourage him to support us in our policies to ensure that children are supported, as the best way of having stable families that can move out of the poverty trap. He should not suggest, as he did earlier, that the Swedish economy has collapsed.

Mr. Brazier: To focus on one among that bundle of points, will the Financial Secretary pick up, at some point in her speech, the idea of transferable tax allowances—first floated by the Conservative Family Campaign eight years ago—on which every Conservative candidate fought in the general election?

Dawn Primarolo: I am sure that the hon. Gentleman can account for what he fought the general election on, but I suppose that the question is why the Conservative policy was different at all previous elections. Perhaps there is a message to him in the fact that not only did his party lose that election but opinion polls show that the Government have gained increased support in the past 12 months. I am sure that many Government Members would be interested in having a recount in their constituencies today.

Conservative Members, having pursued for 18 years a policy that undermined families, and especially families with children, now say that we attack marriage because we are giving more to families with children. How can

that be the case? It is unbelievable that they cannot support the principle that families with children must be our priority.

Mr. Gibb: If the Financial Secretary is so proud of the policies that she is proposing, why have no Government Back Benchers spoken in favour of the clause, or indeed of clause 25?

Dawn Primarolo: Because they do not want to waste the Committee's time by repeating the arguments that I am advancing, and with which I know that they entirely agree. The Opposition asked for this debate, but they were struggling for speakers and asked us to allow the debate to finish earlier. The hon. Gentleman made a ridiculous point in a serious debate, and I am sorry that he felt it necessary to do so.

Conservatives argue that we are attacking families by giving them more money to care for their children. If that is the new Conservatism, the sooner we have another general election that they can contest on that principle, the better.

The hon. Member for Sevenoaks (Mr. Fallon) spoke about stability, security and responsibility: the stability that the Government are giving to families with children; the security that those families are given by the opportunities and choices provided by this Government and denied them by the Conservative Government; and the responsibility that the Government recognise to lift children and families out of poverty.

I encourage the Committee to support the clause, which supports families and children, and to reject the Opposition's proposals.

Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 275, Noes 123.

Division No. 264] **[9.59 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashdown, Rt Hon Paddy
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Baker, Norman
Barnes, Harry
Battle, John
Bayley, Hugh
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Betts, Clive
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Byers, Stephen
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Canavan, Dennis
Cann, Jamie
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cook, Frank *(Stockton N)*
Cooper, Yvette
Cotter, Brian
Cousins, Jim
Cox, Tom
Cranston, Ross
Cryer, Mrs Ann *(Keighley)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Rt Hon Dr John *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Davey, Edward *(Kingston)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Dobbin, Jim
Dobson, Rt Hon Frank
Dowd, Jim
Drown, Ms Julia
Edwards, Huw
Ellman, Mrs Louise
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael J *(Worcester)*
Fyfe, Maria
Galloway, George
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Griffiths, Jane *(Reading E)*
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hancock, Mike
Hanson, David
Harris, Dr Evan
Heath, David *(Somerton & Frome)*
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hinchliffe, David
Horne Robertson, John
Hoon, Geoffrey
Howarth, George *(Knowsley N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keetch, Paul
Kennedy, Charles *(Ross Skye)*
Kidney, David
Kilfoyle, Peter
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Livingstone, Ken
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonnell, John
McFall, John
McGuire, Mrs Anne
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
McWalter, Tony
McWilliam, John
Mallaber, Judy
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Maxton, John
Michie, Bill *(Sheff'ld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Alan
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moore, Michael
Moran, Ms Margaret
Morgan, Alasdair *(Galloway)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pope, Greg
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie

Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Rendel, David
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Russell, Bob *(Colchester)*
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Tonge, Dr Jenny
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tyler, Paul
Wallace, James
Watts, David
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Winnick, David
Wise, Audrey
Wood, Mike
Wray, James
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Ayes:
Mr. David Jamieson and Jane Kennedy.

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Atkinson, David *(Bourmth E)*
Atkinson, Peter *(Hexham)*
Baldry, Tony
Bercow, John
Body, Sir Richard
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Burns, Simon
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Greenway, John
Grieve, Dominic
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Letwin, Oliver
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Maples, John
Mates, Michael
Maude, Rt Hon Francis
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
Shepherd, Richard
Simpson, Keith *(Mid-Norfolk)*
Smyth, Rev Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Sir Teddy
Thompson, William
Townend, John
Trend, Michael
Tyrie, Andrew
Walter, Robert
Wardle, Charles
Waterson, Nigel
Whitney, Sir Raymond
Widdecombe, Rt Hon Miss Ann
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. John M. Taylor and Mr. John Whittingdale.

Question accordingly agreed to.

Clause 27 ordered to stand part of the Bill.

Bill (Clauses 1, 7, 10, 11, 25, 27, 30, 75, 119 and 147) reported, without amendment; to lie upon the Table.

LIAISON COMMITTEE

Ordered,

That Mr. Richard Allan be added to the Liaison Committee.—*[Mr. Robert Ainsworth.]*

FINANCE AND SERVICES COMMITTEE

Ordered,

That Mr. Richard Allan be added to the Finance and Services Committee.—*[Mr. Robert Ainsworth.]*

CHAMBER OF COMMERCE (PROTECTION OF TITLE) BILL

Motion made, and Question put,

That the Chamber of Commerce (Protection of Title) Bill, now standing committed to a Committee of the whole House, be committed to a Standing Committee.—*[Mr. Robert Ainsworth.]*

Hon. Members: Object.

Local Government Finance (Essex)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Robert Ainsworth.]*

10.13 pm

Mr. Bill Rammell (Harlow): I am grateful for the opportunity to debate the local government finance settlement for Essex county council, and to highlight the way in which I believe the priorities of that settlement are being distorted by the new Conservative administration on that council.

To put the matter in context, the Conservatives took control of Essex county council on 1 April this year, when Southend and Thurrock, which were previously part of the county council area, became unitary authorities. With the change in political balance, the Conservatives took a one-seat majority on the new county council.

The local government financial settlement for the new incoming Conservative administration was reasonably good. I shall not exaggerate, and pretend that the settlement resolved every problem for the county council in every possible way; issues remained to be addressed. Inevitably, the fact that the Government had agreed to stick to the spending limits of the previous Conservative Government for the first two years in office constrained their actions. Nevertheless, generally it was a reasonably good settlement. In all, £835 million was allocated to local education authorities in addition to that which the previous Government had allocated.

In Essex, there was an increase in the standard spending assessment of 4 per cent.—1 per cent. above the national average—and the education standard spending assessment increased by 5.8 per cent., also ahead of the national average. To place it in context, that increase of 5.8 per cent. was higher than any of the previous four-year increases in SSA. That increase in SSA led to an easing of the cap. People outside the House will understand that Essex was able to increase its expenditure by about 5.6 per cent—not an earth-shattering increase, but well above inflation, and allowing some opportunities for improvement.

Mr. Ivan Henderson (Harwich): Is my hon. Friend aware that Spring Meadows primary school in my constituency has had its nursery provision deferred, after it had been agreed by Essex county council under the phase 4 county programme, after a governor and a teacher had been appointed, and after parents had already registered their children for the school? Is that not another example of the Tories, when they are in control of education, ruining the expectations of teachers, of parents and of children by playing politics with education?

Mr. Rammell: My hon. Friend is absolutely right. The nursery cut he mentions was one of five throughout Essex that was halted as a result of the new administration's decisions.

The overall settlement also brought some good news: the Government decided not to change the area cost adjustment for this year, reflecting—rightly, in my opinion—the fact that, in Essex, costs for the provision of services are higher than in many other parts of the country, because we are in the south-east of England. I hope that the Government will continue to bear that factor in mind next year, when they reconsider the area cost adjustment.

Overall, it was a reasonably good settlement. Imagine, then, my consternation and that of my constituents when, after 1 April 1998, news of savage cuts began to leak out. It is no exaggeration to say that the cuts that we have seen in Essex, in education and in social services, are probably on a scale that I have not witnessed in one year in any local education authority throughout the country. For hon. Members' benefit, I shall detail some of those cuts.

On education, discretionary grants for dance and drama students have been completely abolished. Funding for the most successful music schools in my constituency—music schools that have given children an opportunity to take part in musical education in a way that previously was not available—has suffered a massive cut of 70 per cent. Adult education grants have been cut by up to 50 per cent. Uniform grants for poorer children have been halved, and support for concessionary fares for pupils over the age of 16 has been slashed, leading to a massive 40 per cent. increase in charges.

If anything, the cuts in social services are worse. Home care charges doubled. Charges for day centre lunches and meals on wheels are increasing by a staggering 92 per cent., targeting the elderly—the most vulnerable people in our communities in Essex.

Sir Teddy Taylor (Rochford and Southend, East): Southend on Sea, which broke away from Essex and which has Labour and the Liberals in charge, faces exactly the same vicious increases—voted for by Labour and Liberal councillors. Would the hon. Gentleman therefore accept that it is wrong to make this a party political exercise? Southend had a better financial settlement than Essex, but we have had to impose the same savage increases in home care charges. The problem has nothing to do with party: it has to do with local authorities, no matter who is in charge, facing impossible problems these days.

Mr. Rammell: The reason that I believe it is a matter of party politics is that the alternative Labour-Liberal budget proposed for the county council this year did not include the sort of cuts that I am describing. That alternative budget was agreed under the same local government settlement as the one under which the Conservatives in Essex are operating.

I want to explain the human impact entailed by the cuts, and the decision completely to cease discretionary grants for dance and drama students. Under the former Labour-Liberal administration, the county council provided grants of £4,000 a year for the tuition fees of students going to dance and drama colleges. That money levered in funding from the national lottery of a further £4,000 a year. With the complete cessation of discretionary grants, the lottery money, like the grants themselves, has gone.

Thus, whereas dance and drama students throughout Essex were last year eligible for £8,000 from public funds towards their £9,000-a-year tuition fees, this year, under the new administration, they are to receive absolutely nothing.

This will mean that the vast majority of these students will not be able to take up the courses for which they have worked so hard. Talented, dedicated, hard-working young

[Mr. Rammell]

people who have followed the advice given them by older generations—about how to develop their talents and how to get on in life—are having their life chances stripped from them.

I recently met the new Conservative leader of the county council to put pressure on him, and asked him whether he and his political group were aware when they made their decision of the link between discretionary grants and the matching funding from the lottery. He replied that he was not sure. That speaks volumes about their attitude to the cuts—they did not even realise the implications of their decision.

The imposition of the cuts and the distortion of this year's local government settlement for Essex have been disastrous for my constituents and for those of other Members representing Essex. Since this has happened in spite of a reasonably good settlement overall, it is reasonable to ask why. As usual in politics, we need to look at the detail. Although the total budget has risen by a reasonable amount, as I have said, the fire service, the highways and transport service and other services have had increases well above inflation—

Sir Teddy Taylor: Hear, hear.

Mr. Rammell: Politics is about choices, and choices have consequences. In addition to these considerable increases, the reserves have been increased by £3 million. To pay for all this, there is, of course, a price—savage cuts to education and social services.

Mrs. Teresa Gorman (Billericay): Is it not true that the education committee is spending an additional £11 million on education, but that that redistribution is being spent on reducing class sizes and implementing other Government priorities, not on extra items for schools? The council is clearly mindful of the cuts in dance grants and in other areas which the Government have forced on them, because it is spending up to cap and because it has increased the precept to keep up standards of education. So what the hon. Gentleman says about education in Essex is complete rubbish.

Mr. Rammell: In response to abuse, I shall give some facts. For each of the previous four years under the previous Labour and Liberal administration, the county council spent above the standard spending assessment on education. In their first year in office, the new Tories at county hall are spending £3.5 million below the SSA. That comparison speaks volumes about the priorities and choices that have been made by the new county council.

The lack of priority being given to education raises serious questions about the right and ability of central Government to direct local education authorities as to their spending. The Government have made it clear many times that our No. 1 political priority is education—a priority that the Conservatives in Essex clearly do not share.

Having been a local councillor for 12 years before I arrived in this place, I understand the arguments about local democracy, local autonomy and local decision making. Given the actions that are taking place in Essex and elsewhere, I believe that there is a debate to be had about the relationship between central and local government, and a need to address the question whether central Government have a right to insist that their strategic and national priorities are adhered to by local councils.

There is all the difference in the world between central Government dictating cuts to local government, as happened year after year under the previous Conservative Government, and central Government insisting on minimum standards of provision in education and elsewhere that should be respected by local councils. Given the difference in priority given to education by central Government and many Conservative education authorities such as Essex, that is a fundamental issue.

When I speak of a low priority being given to education, I do not expect hon. Members merely to take my word for it. I invite them to reflect on what George Walden, the former Conservative Member of Parliament who retired at the general election, wrote about Conservative attitudes in his recent book on education. He stated that, because most senior Conservatives do not use the state education system, their personal and political motivation is simply not there. We are seeing that repeated with a vengeance throughout Essex.

Many people say that there are no differences left between the political parties. That is often quoted in the media. Those who take that view should look at what is happening in the county of Essex, where an alternative budget was proposed by the Labour and Liberal administration under the same Government grant regime as the Tories are operating under. That proposal did not include such savage cuts.

Pierre Mendès France said that to govern is to choose. In the way in which the new Conservative administration in Essex has distorted this year's local government settlement, it has chosen. Unfortunately, my constituents and the constituents of other Essex Members are paying the price for those choices.

10.27 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Nick Raynsford): I congratulate my hon. Friend the Member for Harlow (Mr. Rammell) on his success in securing the debate, and in using it as an opportunity to highlight the concerns that he and his constituents have about education provision in his area.

The issue relates to the financial settlement for Essex county council and the subsequent decisions of the council on how it chooses to make use of the resources available to it. The settlement has already been approved by Parliament. All councils have now set their budgets, and every council tax payer will know the level of his council tax bill for this financial year.

The debate allows me to reiterate to hon. Members and to council tax payers in Essex what a good settlement we have been able to provide for the county in the face of the tight spending plans that we inherited. *[Interruption.]* Conservative Members may laugh. When they hear the figures, they will stop laughing, because they will realise that the Government have given an extremely favourable settlement to Essex. The hon. Member for Rochford and Southend, East (Sir T. Taylor) confirmed that the settlement available to Southend was a good settlement.

What the local councillors choose to do with the resources allocated by Government is a very different matter. My hon. Friend has provided some damning evidence about choices affecting education in Essex that have hit particularly hard those people who depend on services. He referred to discretionary awards for dance and drama, and the young people who have developed their skills and talents in the hope of being able to pursue their careers in those fields through further education. Their hopes will be dashed because of the large cut that the county council has made under that budget heading. That is only one of several such examples, and it is clearly distressing.

We are committed to a fair distribution of Government grants to local authorities, and the settlement this year is a start in achieving that goal. It is better in cash terms than many authorities must have expected, based on last year's plans. It is also fairer in its distribution, and it reinforces local accountability by giving local authorities more discretion over local spending decisions. I make no apologies for emphasising the additional help that we have given to local authorities in this settlement. We have provided a 3.8 per cent. increase in provision for local government revenue spending nationally, which is double the previous Government's plans.

The amount made available for local authorities included an additional £835 million nationally for education from the reserve, which has been fully funded by matching grants to authorities. The previous Administration's plans allowed for just a £182 million increase in schools' budgets, which was less than inflation. Our plans provide a 5.7 per cent. increase, which is a substantial increase ahead of inflation, and a real commitment to improving standards.

We have also been able to increase resources for social services nationally next year by some £447 million, which is almost £100 million more than was envisaged by the previous Government. Within that, we have provided an additional £70 million for children's services, which is the first substantial increase for three years; additional funding for adult services, with an extra £21 million on top of the £350 million for the special transitional grant for community care which we will continue in 1998–99; and an additional £73 million for mental health services, which is £6 million more than last year. In addition, we have provided sufficient money for the other priority services of fire and police to enable them to continue their work.

Sir Teddy Taylor: If the situation is so great—and I mean this sincerely—why does the Minister think that, last week, the Labour and Liberal councillors in Southend-on-Sea, which had a better settlement, voted through the most vicious increases in home help charges that I have ever seen? I do not seek to make a political point. Ministers, from whatever party, should realise that local government is facing a nightmare of ever-increasing demands. There is no point trying to score political points and apportion blame.

Mr. Raynsford: I have described the settlement that applies nationally. How it is interpreted locally is a matter for local councils. There is a debate about the correct balance between central and local government, about ensuring that the provision of services meets the standards that the Government expect for citizens in every area of the country, and about the right of local authorities to provide for the people of their area, and to exercise discretion on behalf of their local electorates. That will lead inevitably to differences in performance and in the decisions taken by different areas.

As the hon. Member for Rochford and Southend, East knows, the debate this evening is focused on Essex county council. I apologise to the hon. Gentleman, but I have not come prepared to answer detailed questions about provision in Southend—he will know that the new arrangements exclude Southend from the county of Essex. However, I shall happily write to the hon. Gentleman about that issue if he would like me to explain it further. I hope that he will understand that I am not able to give a detailed response now.

Mr. David Amess (Southend, West): Will the Minister give way?

Mr. Raynsford: I must ask the hon. Gentleman to calm down, as I am responding to points raised by the hon. Member for Rochford and Southend, East. It is difficult to answer two hon. Members simultaneously. However, I shall give way to the hon. Member for Southend, West (Mr. Amess), as he comes from the same area.

Mr. Amess: Is the Minister not a little surprised that the European Member of Parliament who represents the area we are talking about—Southend and the area represented by the hon. Member for Harlow (Mr. Rammell)—was in Rayleigh high street last week organising petitions against social service charges, but has said nothing about what his Labour colleagues in Southend voted for last week? Does he not find that there is an inconsistency—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I understand the tangential connection between Southend and Essex, but the debate is about Essex, from which Southend is excluded.

Mr. Raynsford: Thank you, Mr. Deputy Speaker. I shall obviously concur with your ruling, and therefore not be drawn into the tempting territory of Southend, however attractive an area it might be, and whatever the peculiarities of its local Conservative representatives at whatever level. I shall focus my comments specifically on Essex.

Hon. Members will be aware that we have made changes to the way in which Government grant is distributed to local authorities. We calculate standard spending assessments for individual authorities following general principles. These are applied to all local authorities, while at the same time taking account of local needs. Essex county council benefited from several of the changes that we made to the SSA formulae for 1998–99, including the introduction of the new needs indices for other social services and the change to the way in which visitors and commuters are taken into account.

I am pleased also to report that the county council also gained as a result of changes we made to the highway SSA, following its representations during consultation on the provisional settlement. I stress that, because the view is often taken that representations by local authorities in the course of settlement have little or no effect on

[Mr. Raynsford]

Government policy. As I know the hon. Member for Rochford and Southend, East is aware, representations by Essex county council over the highways settlement did bear fruit.

The county council took over from the Highways Agency responsibility for the A127 between Southend and outer London in March 1997. The council had actively sought this change, which is referred to as de-trunking, because the road thereby ceases to be a trunk road. However, the SSA system failed to take account of the heavy traffic flows on the road when working out the average traffic flows in the county. We took this element into account in the final settlement, and the council's highway SSA was consequently increased by £3 million. We listened carefully to what the local authority had to say when its representatives came to see us, and we acted as we felt was appropriate.

In total, therefore, the SSA for Essex county council has increased to over £836 million, which is an increase of almost £32 million, or 4 per cent. over the past year's figure. I am used to coming to the House for debates on local government settlements to hear Members complaining that their authorities have not received an adequate settlement. I cannot think of anyone from Essex, hearing the figures to which I have referred, who could complain about the settlement for Essex county council. By any judgment, it is a generous settlement—

Mrs. Gorman: Will the Minister give way?

Mr. Raynsford: I defy the hon. Lady to find any fault with it.

Mrs. Gorman: I am not intervening to argue that Essex did not do a bit better than other authorities. However, the money was allocated specifically for education, on which it was spent, despite the remarks of the hon. Member for Harlow (Mr. Rammell). There was an increase of only 0.5 per cent. for all other services, which meant that there had to be a great deal of juggling with the budget, even to maintain the present standard of support for social services. The Government have put Essex county council in this dilemma.

Mr. Raynsford: The hon. Lady is wrong. The figures I have quoted show that the county council received an increase of almost £32 million, which was 4 per cent. above the previous year's figure. Against a lower rate of inflation, that is not a settlement that makes it difficult for an authority to make sensible decisions. Unfortunately, Essex county council has failed to do so.

I know that education is an important issue in the county. The Government were elected with a clear mandate to make education our No. 1 priority, as my hon. Friend the Member for Harlow has emphasised, and we have done that.

Last July, we announced an extra £1 billion in revenue support grant, specifically to boost education. We also set up the new deal for schools, with £1.3 billion of grant for repairing, renewing and improving school buildings, school security and information technology facilities over the lifetime of this Parliament. I accept that that is not a one-year figure, but a figure for the lifetime of the Parliament; it is nevertheless significant money. In the Budget in March this year, my right hon. Friend the Chancellor announced a further £250 million for education. In all, we have therefore already pledged extra investment in education of some £2.5 billion since we came to power.

The priority that the Government have given to education nationally has naturally been reflected in the allocation received by Essex county council. Its education SSA for this year is £497 million, an increase of £27 million over 1997–98, after taking account of reorganisation and the abolition of the wasteful nursery voucher scheme.

On 16 April, my right hon. Friend the Secretary of State for Education and Employment announced that Essex will receive grant totalling more than £2.5 million from the new deal for schools this year. Essex county council's allocation from the standards fund will be more than £8 million this year, supporting our national literacy strategy, the national grid for learning and a wide range of other high priorities for improving education in Essex. All in all, Essex is receiving a substantial boost from the Government in the resources available to it for education.

The Government have played their part by making education their top priority. We believe that all the other partners in education, including local education authorities, should do the same. As hon. Members will know, we made it clear to all local education authorities that we expected the priority that the Government have given to education to be reflected in their education budgets. In July, my right hon. Friend the Chancellor of the Exchequer made it clear that the extra money for education should go to education, and my right hon. Friend the Secretary of State for Education and Employment wrote to the leaders of all local education authorities last December to reinforce the point.

I am glad to say that most LEAs seem to have joined the Government in giving priority to education. That is good news for schools, parents and, most of all, schoolchildren. However, I am afraid that Essex does not seem to consider that education should be at the top of its list of priorities. Despite the fact that its education SSA has been increased by £27 million this year, I understand that Essex plans cuts in education spending of £5.9 million. Neither the Government nor the people of Essex can be happy with that decision. It does not reflect the people's priorities of education, education, education, for which the Government received an overwhelming mandate last May.

Mr. Bob Russell (Colchester): Not in Essex, they did not.

Mr. Raynsford: I can tell the hon. Gentleman, who has just made an intemperate intervention from a sedentary position, that the Government did receive a considerable endorsement from the people of Essex last May. He should be rather more thoughtful about the results of that election, which swept this Government to power with representation in all parts of the country, including his county. If he cannot remember it, I suggest that he goes to Basildon, which used to be represented by the

hon. Member for Southend, West, who thought it was Conservative territory. It is now a further clear example of the Labour party's advances in Essex.

Mr. Russell: Colchester is a Liberal Democrat seat.

Mr. Raynsford: The hon. Gentleman should know better. He clearly has a great deal to learn.

I accept and support the principle that local decisions should be taken locally—

The motion having been made after Ten o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at seventeen minutes to Eleven o'clock.

House of Commons

Thursday 30 April 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

AGRICULTURE, FISHERIES AND FOOD

The Minister was asked—

Designated Ports

1. **Mr. Roger Casale** (Wimbledon): What representations he has received concerning designated ports status. [39107]

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): Interested parties have until 15 May to comment on the Government's proposals to establish a system of designated ports for landings of fish made by vessels over 20 m. We shall then consider the representations received before any final decisions are taken.

Mr. Casale: I thank my hon. Friend for that reply. Does he agree that in this, as in many other areas of European regulation, it is not so much the Commission's policy as the enforcement of policy by member states that is the real issue at stake? The present Government recognise that distinction. The previous Tory Government's failure to do so left them and the British fishing industry up the creek without a paddle.

Mr. Morley: My hon. Friend is right to say that, although we are pressing for stronger Europewide enforcement, we have a responsibility in our country to ensure that our fleets abide by the regulations. We have had difficulties on the black fish issue. The proposals on designated ports demonstrate that the Government intend to take the issue seriously.

Mrs. Joan Humble (Blackpool, North and Fleetwood): I thank my hon. Friend for that answer. In Fleetwood in my constituency, the idea of designated ports has been widely welcomed, but there is concern that the restrictions will apply to the British fleet, but not to European vessels fishing in the area. Can the Minister give cause for hope by reassuring me that the scheme may be extended to include foreign vessels?

Mr. Morley: My hon. Friend makes a very serious point. The creation of a system of designated ports is a national measure, taken by us as an individual member state, to deal with a national issue of enforcement. United Kingdom vessels are free to land abroad, as they always have been. However, we are pressing for increased and more effective Europewide fisheries enforcement, and we know that our proposals for designated ports are attracting the interest of other European member states. That measure may well be taken forward across the Community.

Mr. Christopher Gill (Ludlow): Will the Minister acknowledge the general unease in the fishing industry? Every problem in the fishing industry is answered with increasing bureaucracy, and there is a failure to tackle the industry's fundamental underlying problems, associated with the common fisheries policy and the drive to make British fishing waters part of a common resource, to be shared with all other nations on the basis of equal access.

Mr. Morley: We have debated common access previously, and the hon. Gentleman knows that, in our view, the principle of relative stability takes precedence over the issue of common access. On bureaucracy, unfortunately, in an industry where regulation is inescapable, and where there have been enforcement problems—problems within our own UK fleet—we must have regulations that are enforced fairly and properly.

Mr. Austin Mitchell (Great Grimsby): Will my hon. Friend accept our assurances that the creation of a system of designated ports is an effective way in which to tackle the pressing problem of black fish? However, will he remember that it would be iniquitous if the hours of landing at those designated ports—of which Grimsby will be, I hope, the foremost and the prestige designated port — were restricted by the hours of work of Ministry of Agriculture, Fisheries and Food officials? Fishermen need to be able to land whenever they have to, and if they are buffeted by weather and bound by very difficult conditions, they need the opportunity to land 24 hours a day.

Mr. Morley: I can confirm that Grimsby is one of the ports that has been designated. The hours of landing are designed to reflect traditional landing patterns in those ports and, I acknowledge, to ensure that sea fish inspectors are available when boats unload. However, consultation is continuing, and my hon. Friend's arguments can certainly be considered.

Food Standards Agency

2. **Mr. Geoffrey Clifton-Brown** (Cotswold): If he will make a statement on the procedures for the *(a)* accountability to Parliament of the Food Standards Agency and *(b)* authorisation of its funding. [39108]

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. Jeff Rooker): The Food Standards Agency will be accountable to the House through Health Ministers, and will be required to lay its annual report and accounts before Parliament. Its chief executive will be the accounting officer, who may be called before the Public Accounts Committee.

Mr. Clifton-Brown: May I preface my question by thanking the Minister for ringing me this morning to apologise for answering one of my written questions

about the agency late? Does he agree that the paramount duty of the Food Standards Agency will be to reassure the British public that British food is among the safest in the world, if not the safest in the world? Is it not, therefore, important to get the structure right from its inception? As I understand it, the agency's remit will include both enforcement and policy making with respect to the safety of British food. That could become oppressive in the absence of proper democratic accountability.

Will the Minister consider setting up a separate part of the organisation to deal with enforcement, possibly along the lines of an enlarged Meat Hygiene Service? There could then be a separate policy-making section as well. As the agency will primarily be responsible for food safety, does the Minister agree that its funding should come mainly from the public purse?

Mr. Rooker: On the latter point, we said in the White Paper that we would issue a separate consultation document on funding. I intend to issue the consultation paper at about the same time as we publish a draft Bill, which I hope will be well before the summer recess.

The hon. Gentleman's first point was covered in many of the consultation responses—well over 1,100 of them—that we have received. His points are valid; we shall debate them in the House, in the Select Committee and in the Standing Committee. Ultimately, the House must be in control. The legislation, approved by the House, will set out the guiding principles to which the agency will work; it will not be able to create its own agenda.

Dr. Brian Iddon (Bolton, South–East): My hon. Friend has suggested when the draft Bill may be published. Will he assure the House that there will be adequate time for the Select Committee and others fully to discuss the proposals?

As there have been some criticisms in respect of the funding arrangements, can the Minister assure us that there will also be adequate time for people to express their feelings about the part of the Bill dealing with funding?

Mr. Rooker: The answer to both questions is yes. There will be adequate time to debate this important policy initiative. We must get it right from day one. Given the problems that this country has experienced in the past with food safety policy and enforcement, we cannot afford to get it wrong this time: too many people are watching what we are doing.

Mr. Paul Tyler (North Cornwall): We welcome the Minister's assurances, but does he recognise that there is a major transitional problem? There is continuing controversy over issues such as antibiotics in food and beef on the bone, and Ministers and their advisers still do not enjoy the public confidence that they should, largely as a result of their predecessors' behaviour. Would it not be possible to set up the agency now on a non-statutory, advisory basis? That might at least give it the credibility of some independence from Ministers.

Mr. Rooker: That is not the right way to go. I acknowledge what the hon. Gentleman says about a lack of confidence. However, in the past 12 months, we have made decisions and issued announcements to the effect that, from now on, brand names will be used in the results of surveys on pesticides residues and veterinary medicines residues. We are also publishing brand names for the results of the programme of chemical surveillance of food contaminants; and we are publishing every month the hygiene assessment scores of every red and white meat abattoir in the country. In short, we are becoming much more open and transparent about food policy than Governments have ever been. We hope that that will help to restore confidence.

Common Agricultural Policy

3. **Mr. David Chaytor** (Bury, North): What assessment he has made of the impact on consumers of the current CAP reforms. [39109]

The Minister of Agriculture, Fisheries and Food (Dr. John Cunningham): We estimate that the lower support prices proposed by the European Commission would mean that UK consumers would save around £1 billion a year, equivalent to a 2 per cent. reduction in retail food bills.

Mr. Chaytor: I thank my right hon. Friend. I also congratulate the Government on their work to reform the CAP. Does my right hon. Friend agree that the net effect of the CAP over many years has been to cut jobs in rural areas, to reduce the diversification of wildlife and to encourage the dangerous intensification of agriculture? Can he assure the House that the Government will continue to press for reforms that adopt an integrated approach to rural areas, stressing rural development, the rural economy and environmental protection? What plans does he have, in particular, to encourage more farmers to switch to organic farming?

Dr. Cunningham: On the latter point, I have already announced an interim package of measures to bring more assistance to organic farming, and to fund more research. That has been welcomed by the Soil Association and others. I had the pleasure to be the first Agriculture Minister in this country ever to address the Soil Association's annual conference, which was one of the many omissions of the previous Administration over 18 years.

As for wider reform of the CAP, I agree with my hon. Friend that we must seek to free our farmers from some of the worst restrictions imposed on them by the CAP, to enable them to be more competitive and to take advantage of global markets. We must also transfer resources away from such things as headage payments, and towards environmental support and investment in rural economies.

Mr. James Paice (South–East Cambridgeshire): I congratulate the Minister on 12 years of occupancy—*[Laughter.]* I mean 12 months. I have obviously been listening too much to the Foreign Secretary. Let me congratulate the Minister on his 12 months in office.

Will the Minister confirm that in those 12 months, the prices of nearly every agricultural product have fallen considerably—beef by 10 per cent., sheep by 34 per cent., milk by about 20 per cent. and wheat by 21 per cent.? Next week's threatened further 2.5 per cent. revaluation of the green pound will cost the industry another £70 million or £80 million. How much of that has been

of real benefit to the consumer? Will the Minister admit that his first 12 months of stewardship of agriculture have led to the biggest agricultural crisis for decades?

Dr. Cunningham: I am overwhelmed by the hon. Gentleman's prognosis, but underwhelmed by his inaccuracy about what has happened. As the Select Committee on Agriculture has confirmed to the House, the biggest crisis to hit agriculture this century was the BSE crisis bequeathed to the Government and the country by the hon. Gentleman and his right hon. and hon. Friends.

Mr. David Drew (Stroud): Does my right hon. Friend agree that consumers will, more than anything, welcome greater localised supply, particularly of organic products? Will he join me in condemning the United States Department of Agriculture's redefinition of organic food? Will he ensure that the European Union, as part of its reforms, sets its own standards in this area?

Dr. Cunningham: Yes. We shall certainly safeguard the very high standards required of organic produce in this country. We shall do much more than the previous Administration to promote the growth of organic farming. We inherited from that Administration a contribution of only 0.3 per cent. of organic farming in this country, the worst record of any Government in the European Union. We shall do much better than that.

British Beef

4. **Mr. Bernard Jenkin** (North Essex): What measures he is pursuing to promote the sale of British beef. [39110]

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. Jeff Rooker): The Government have continued to support various initiatives to help restore confidence in beef and, therefore, promote consumption. As a result, the latest figures show that household consumption is back to 85 per cent. of the 1995 level.

Mr. Jenkin: May I draw to the Minister's attention the fact that I was asking about British beef, not beef consumption in general? I welcome efforts to promote British beef, but butchers in my constituency are complaining that in order to label beef British, they must pay a fee to the Ministry of Agriculture, Fisheries and Food. Moreover, and unfairly, a family butcher has to pay the same fee as a supermarket does. When will the Ministry bring fairness and reasonableness to that situation?

Mr. Rooker: If the hon. Gentleman is opposed to the beef labelling scheme, he should stand up and say so. That scheme is a major European initiative, and we want people to be accredited. Some 8,000 retailers have been accredited by 80 separate independent organisations. If the scheme is to work and the consumer is to believe that the information on the label is accurate—it includes the age of the animal, sometimes its tag number, the sex, method of slaughter and where the animal was reared and slaughtered—there must be independent accreditation. That independent accreditation will come not from my Ministry, but from the independent accreditation authorities.

Mr. Dennis Turner (Wolverhampton, South-East): Is the Minister aware that there is one sure way in which to assist British beef producers, and that is by taking advantage of the succulent British beef steak that is being served in our Terrace Cafeteria today? I assure him that it is beautiful. If, however, he wishes to avail himself of some wonderful fresh fish, lightly battered, which was brought in by British trawlers, he should visit the Dining Room tonight where he may also have some golden chips and lovely mushy peas.

Mr. Rooker: Like the hon. Member for North Essex (Mr. Jenkin), my hon. Friend refers to a particular aspect of British beef. He understands the position in terms of the Government's promoting a product in line with the guidelines set out by the European Union. We are unique in our publication of the hygiene assessment scores of abattoirs and meat-cutting plants in this country. That does not occur anywhere else in Europe. I encourage retailers and retail butchers to make it clear to customers that they are purchasing beef and other meat that comes only from abattoirs with high hygiene scores. That is how the customer knows that it is British beef.

Mr. Charles Kennedy (Ross, Skye and Inverness, West): In view of the fact that the Government fell flat on their face in the Selkirk sheriff court—and it was a very welcome ruling—would it not make sense, politically, commercially and in terms of public health and the consumption of beef generally, to pull the plug on the outstanding legal case that the Government are pursuing south of the border? In so doing, they would enable people to make their own assessment of the billion-to-one risk associated with eating beef on the bone. Every register of public opinion on the matter has revealed that people believe that the Government are wrong and that the courts, increasingly, are correct.

Mr. Rooker: For two days running this week, I have seen letters in the Scottish press supporting the Government's position.

Dr. Lewis Moonie (Kirkcaldy): Will my hon. Friend confirm that, to date, 24 people have died from new variant CJD? Will he confirm also that we are not yet aware of the incubation period of the disease, and therefore we cannot at present identify how many cases there might be—it could be hundreds, tens of thousands or even more? Therefore, will my hon. Friend assure the House today that the Government have no intention of being deflected from their purpose of maintaining the ban on infectivity in meat by the stupidity of the Opposition or other political parties, or by the mendacity of the press?

Mr. Rooker: I have not forgotten—and I have received letters from the general public that confirm it—that the night we debated the beef on the bone regulations and I read to the House the clinical symptoms of new variant CJD, I was laughed down by the Opposition.

Mr. Alasdair Morgan (Galloway and Upper Nithsdale): Is the Minister aware that Airtours, one of the leading package holiday firms in this country, has a policy of serving only Argentinian beef for its in-flight meals?

Is that not a scandal at a time when the beef industry is under severe pressure? Will the Minister make urgent representations to Airtours to lift its ban on British beef?

Mr. Rooker: Yes, it is a disgrace. There is no justification for that policy and if the hon. Gentleman cares to write to me, I shall follow up the matter.

Mr. Bob Blizzard (Waveney): Is it not the case that any course of action other than banning beef on the bone would have meant repeating the same old mistakes that the previous Government made? We have seen what happens when reports from medical officers are swept under the carpet or dismissed. Does my hon. Friend agree that, if it were left to the public, various experts would appear on the media, week after week, arguing that beef on the bone was or was not dangerous, and there would be a protracted period in which confidence in beef would dramatically fall? The Government's swift action did not dent confidence in beef, and beef sales did not fall significantly.

Mr. Rooker: I agree with my hon. Friend—any sensible person would. The House should think about what the headlines would have been had we been the first Government knowingly to allow BSE infectivity into the food chain.

Mr. Robert Key (Salisbury): Will the Minister and the House share some good news with me, and join me in congratulating a company in my constituency called Pure Organics? The company was almost put out of business by BSE, but has come good. In Brighton recently, it won the organic award at the Brighton natural products show with its magnificent and innovative products—"Meaty Hoolas", "Barmy Bangers" and "Veggie Beanies". It has become a winning company, which illustrates how British food producers can adapt from crisis to success.

Mr. Rooker: I am more than happy to join the hon. Gentleman in celebrating the undoubted success of that company in his constituency. Perhaps an early visit is called for.

Beef Export Ban

6. **Mr. Dennis Canavan** (Falkirk, West): What progress he is making on ending the export ban on British beef. [39113]

The Minister of Agriculture, Fisheries and Food (Dr. John Cunningham): The European Union Agriculture Council agreed in March to allow exports from Northern Ireland to resume under the export certified herd scheme. The Commission is now preparing a proposal for a date-based export scheme, which would apply across the whole of the United Kingdom and permit the export of beef and beef products from animals born after 1 August 1996.

Mr. Canavan: Although I welcome the approval of the export certified herd scheme for Northern Ireland, has our presidency of the European Union led to any indication of exactly when the total ban on UK exports will be lifted? Once the new cattle traceability scheme has been introduced in September this year, can we expect the ban to be lifted before the end of the year?

Dr. Cunningham: I hope that the Commission, which is in charge of the timetable on this matter, will bring a proposal before the Standing Veterinary Committee of the European Commission next month. It will then be for that committee to determine whether the scheme is acceptable. If it decides that it is not, the matter may then come to the Council of Agriculture Ministers for a final decision. I assure my hon. Friend and the House that my ministerial colleagues, officials in the Ministry and I are making every possible effort to expedite those decisions. The cattle traceability scheme will be operational later this year. The important point about the date-based scheme is that it would apply to all animals throughout the United Kingdom born after 1 August 1996. However, existing restrictions, such as the over-30-months scheme and other schemes to safeguard the public, would remain in place, at least for the moment.

Mr. Dafydd Wigley (Caernarfon): The Minister will recall that when we met him a few weeks ago, we pressed for a date-based scheme. To that extent, we welcome the progress that has been made. When the matter is considered in the Standing Veterinary Committee towards the end of May, will he know whether all our partners in Europe agree with that procedure? If that committee gives the go-ahead, will that mean that, by the autumn, the ban could be lifted?

Dr. Cunningham: I am grateful to the right hon. Gentleman for his comments. That is the accepted procedure and there can be no deviation from it. Whether every member state is happy with the proposal remains to be seen. If the scheme is approved, it will be the beginning of the end of the ban on exports of British beef.

Mr. Alan W. Williams (East Carmarthen and Dinefwr): At Question Time yesterday, in reply to the hon. Member for North Tayside (Mr. Swinney), and at Question Time the previous Wednesday, the Prime Minister struck a note of cautious optimism. He said that there was a reasonable prospect of success at the May standing committee. Will my right hon. Friend throw a little more light on that?

Dr. Cunningham: My right hon. Friend the Prime Minister is right to be cautious, because it is difficult to predict the outcome as we have to convince a qualified majority of the member states of the European Union to support the scheme. We are doing everything we can to maximise that support. Like the Prime Minister, I am cautiously optimistic. In the meantime, we shall do everything possible to persuade our partners to support the scheme.

Mr. Michael Jack (Fylde): In the past 12 months, whenever I have raised the issue of extra help for Britain's beef farmers, the Minister has chastised me for making such an overgenerous suggestion. He prays in aid the size of the public spending limits that he inherited. Will the right hon. Gentleman assist me and the House by telling

us what the public spending limit was that he inherited, what the outturn was, and what his plans are for the current year?

Dr. Cunningham: Notwithstanding what we said when we came into office, we have provided an extra £155 million for the livestock industry.

Mr. Jack: The Minister does not know what public spending limit he inherited and cannot tell us what the outturn was. Let me help him. He should have spent £139 million more than he has done. His target for next year is an underspend of £46 million compared with the figures that he inherited. Does he agree that farmers will regard that as a rip-off, and will feel that the Ministry has failed in its duty to support farming at such a difficult time? Will he reconsider spending for the current financial year and ensure that he spends up to the public spending limit that he inherited to make certain that the help we left for farmers reaches them?

Dr. Cunningham: That is total and absolute rubbish. The right hon. Gentleman is comparing estimates. From the little that we can glean from his almost incoherent presentation of the facts, he is referring to Intervention Board expenditure, not to MAFF's budget. That is further evidence of his failure to grasp the reality of what is going on.

Tree Planting

7. **Sir Sydney Chapman** (Chipping Barnet): What assessment he has made of the adequacy of the co-ordination between his Ministry and other relevant Departments on tree-planting initiatives. [39114]

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): The Forestry Commission is the department for forestry in Great Britain. I am satisfied that it co-ordinates effectively with other relevant departments on tree-planting initiatives.

Sir Sydney Chapman: Does the Minister agree that a good way in which to celebrate the millennium would be to encourage people, families and organisations to plant trees in co-ordination with local authorities and community forest projects? Does he also agree that now would be an opportune time to start planting? This year marks the 25th anniversary of the "Plant a Tree in '73" campaign, in which some of us played a modest part. Will he give a special message of encouragement to the Tree Council, which was established to maintain the impetus for tree planting given by the 1973 campaign?

Mr. Morley: I am happy to support the Tree Council. I agree that planting trees would be an appropriate way in which to mark the millennium. In my home village of Winterton, a millennium wood has been planted by the local community. MAFF has asked for an English forestry initiative to expand forestry in England.

Mr. Bill O'Brien (Normanton): Will my hon. Friend encourage more tree planting in derelict mine areas, which contain contaminated land? If those vast areas of dereliction could sustain tree planting, it would do the communities a power of good. They lost so much when the Tory Government devastated the mining industry.

Mr. Morley: My hon. Friend makes a good point. I can give him the assurance that we are having discussions with the Forestry Commission to establish how we can plant on those very areas.

Mr. David Curry (Skipton and Ripon): When the Minister is considering co-ordination, will he look at the co-ordination between his Ministry and its regional offices? Farmers wishing to submit applications for aid schemes—including tree planting—sometimes approach a regional office and, if they have made a mistake, are given informal advice. They are sometimes invited to fill in a new form. On occasion, however, when the forms come to the central department and are checked, the advice is repudiated, and the farmer is not given what he was led to believe he could have.

Will the Minister consider issuing a code of guidance for regional offices, so that they react similarly to similar circumstances, and so that farmers know that, if they make an informal approach, what they are told—in good faith and with the best of intentions—will stick? This is a small but persistently irritating point.

Mr. Morley: I was in the Nottingham regional office yesterday, talking to staff. I am confident that the advice farmers receive—they very much appreciate the devolved system of regional advice centres—is accurate and generally works. If the right hon. Gentleman can give examples of apparent failure, and wishes to write to me, I shall be only too pleased to look into the matter.

Common Agricultural Policy

8. **Mr. Paddy Tipping** (Sherwood): What steps he is taking to ensure that CAP reform increases job opportunities in rural areas. [39115]

The Minister of Agriculture, Fisheries and Food (Dr. John Cunningham): Increasing job opportunities in all areas, including rural areas, is a key priority for the Government. We will take account of that priority in the negotiations on CAP reform.

Mr. Tipping: Is not the most effective way of creating new jobs in rural areas to ensure that Departments work together? Will that not ensure that planning, training and support for small businesses are used effectively? Does my right hon. Friend accept that the present departmental structures and agencies are not necessarily organised in the best possible way?

Dr. Cunningham: I certainly agree with my hon. Friend's first point. That is why the Government have instituted reviews across Departments, including a review of countryside and rural policy. As for matters involving reorganisation and responsibilities in Whitehall, some of those are under discussion. The Select Committee on Agriculture also had some recommendations to make, but it is too soon for us to announce any conclusions.

Miss Anne McIntosh (Vale of York): Does the Minister agree that, by cutting hill livestock compensatory allowances by £35 million this year, he has damaged job prospects in upland areas? Can he explain why the British presidency has not yet done more to reform the common agricultural policy during the six-month period?

Dr. Cunningham: I was delighted to see that even the hon. Lady smiled when asking the second part of her question. She must know that the detailed proposals for reform of the CAP were published only last month, and that I immediately called a special additional Council meeting for Agriculture Ministers to begin discussing those proposals straight away. Moreover, we had already prepared detailed official working parties, so the proposals went straight into detailed consideration by member states. I assure the hon. Lady that there has been no delay on our part.

As for the first part of the hon. Lady's question, she will recall that in December we announced an additional £85 million of support over and above last year's level for farmers, particularly those in less-favoured areas. Since that decision, we have announced that the Government will fund, with an additional £70 million, items including the start-up costs and the first year's running costs of the cattle traceability scheme.

Mr. Peter L. Pike (Burnley): Does my right hon. Friend agree that some of the new jobs in rural areas will undoubtedly be in tourism and that tourism, especially in the hill country, will mean that we have to preserve the present balance and not destroy those things that attract people to such areas?

Dr. Cunningham: I very much agree with my hon. Friend that we must look increasingly for additional opportunities to improve farm incomes, which means providing farmers with help and support for a variety of developments, including, where possible and where farmers wish it, involvement in tourism. If, as my hon. Friend says, we as a nation wish to preserve the nature, heritage and environment in our countryside and environmentally sensitive areas, we as a nation must find better ways to pay for that preservation than we have found hitherto.

Agricultural Support

9. **Mr. Robert Walter** (North Dorset): What assessment he has made of the EU Commission's proposals for national envelopes as part of the reform of the common agricultural policy. [39116]

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): We welcome the principle that member states should be allowed to target a proportion of agricultural support in accordance with national priorities. We need to ensure that the UK's share of moneys allocated to that exercise is fair and appropriate.

Mr. Walter: That is a slightly disappointing answer, because the danger of national envelopes is that the European Union will become an even less level playing field. Will the Minister assure us that, if that scheme were to come into existence, national envelopes would not be used as a substitute for existing national programmes of support, which would mean that farmers would not receive any additional support from those national envelopes and would leave British agriculture in an even less competitive position?

Mr. Morley: Conservative Members face a dichotomy on issues of that sort: on the one hand, they argue for maximum subsidiarity and, on the other, when there is an opportunity for member states to have more flexibility and autonomy in the way in which European funding is spent, that causes them concern. We are aware of the danger of the approach in terms of distortion of competition and we shall take that danger seriously.

Mr. Paul Flynn (Newport, West): Will not national envelopes encourage the farming industry to accept the realities of life which they are so reluctant to accept, which are that the markets for many existing products are diminishing and that farmers must diversify into areas for which there are better markets and which will employ more people? Those areas are organic farming—we currently import most products—flax growing, coppicing and the growing of fuel crops.

Mr. Morley: My hon. Friend makes the important point that the idea behind national envelopes is to move away from direct production support, which is one of our objectives as a Government, and instead redirect money toward environmental and socio-economic support and support for alternative crops of the sorts which he mentions.

Mr. Tim Collins (Westmorland and Lonsdale): Given that previous CAP reforms have often served to increase both the volume and complexity of the forms that British farmers have to fill in, will the Minister have a word with his officials and tell them that farmers who openly admit errors, honestly committed and arising from simple misunderstanding, should not be penalised when they make representations to Ministers to ask for the facts to be corrected? In that way, farmers will not lose out, as happens time and again when they honestly admit having made a mistake.

Mr. Morley: The rules on penalties for farmers who make a mistake in filling in forms are European Union rules, so we have limited flexibility in that respect. However, we are giving consideration to the issue.

Agrimoney Compensation

11. **Mr. Richard Livsey** (Brecon and Radnorshire): When he will provide agrimoney compensation for British farmers. [39118]

The Minister of Agriculture, Fisheries and Food (Dr. John Cunningham): As already announced, the Government have decided to draw down some £85 million of agrimonetary compensation to the beef and sheep sectors. To date, 95 per cent. of that aid has been paid. This is the first occasion on which a UK Government have paid such aid.

Mr. Livsey: I am sure that the Minister will agree that the current strength of the pound is having a disastrous

effect on agriculture. What discussions has he had with his right hon. Friend the Chancellor and the EU Commission to obtain agrimoney compensation, especially as there is to be a revaluation shortly? If he is not prepared to secure that, what will he do to prevent the imminent bankruptcy of many livestock farmers in the west and north of Britain?

Dr. Cunningham: As my right hon. Friend the Chancellor has conceded, we recognise that the strength of sterling is causing problems in the economy. However, having taken the decision, which the Liberal Democrats welcomed, to establish the Monetary Policy Committee, we must await its decisions on such matters.

As for agrimonetary compensation, I shall set out the figures which the hon. Gentleman, with his distinguished record in farm management, probably already knows: we have already used 75 per cent. of the agrimonetary aid we could pay to beef producers this year and 95 per cent. of what we are allowed to pay to sheep farmers.

Mr. John Townend (East Yorkshire): Will the right hon. Gentleman now be honest and admit that more money was available for help in the past year? The Red Book shows, on page 49, that you underspent by £139 million—that is £139 million less than the Conservative Government budgeted for. Will you now be more accurate—

Madam Speaker: Order. The hon. Gentleman should say, "Will the Minister now be more accurate?"

Mr. Townend: Will the Minister now be more accurate than he was in answering the question of my right hon. Friend the Member for Fylde (Mr. Jack)?

Dr. Cunningham: If the hon. Gentleman stayed calmer in posing his question, he would be able to reflect on the inaccuracy of what he says. He refers to Intervention Board figures, not MAFF figures.

ATTORNEY–GENERAL

The Attorney-General was asked—

Lenient Sentences

27. **Mr. Elfyn Llwyd** (Meirionnydd Nant Conwy): How many appeals he made against sentences considered to be too lenient in 1996 and 1997; and if he will make a statement. [39138]

The Attorney-General (Mr. John Morris): In 1996, the Law Officers referred the sentences imposed on 70 offenders to the Court of Appeal for their sentences to be reviewed under the provisions of section 36 of the Criminal Justice Act 1988. All those references have been heard, and sentences were increased for 51 offenders. In 1997, the sentences of a further 70 offenders were referred to the Court of Appeal for their sentences to be reviewed. Of those references, sentences have been increased for 43 offenders; six references have yet to be heard.

Mr. Llwyd: What procedures are being adopted to take account of the views of the victims of crime? I am sure that the Attorney-General will agree that that is an important component in ensuring that justice is seen to be done.

The Attorney-General: I agree entirely with the hon. Gentleman. I can refer sentences that appear to me to be unduly lenient, but I take into account the impact on victims—I regard that as important—and the danger to the public. Those features can result in sentences being increased—indeed, very long terms of imprisonment can be imposed under the Act.

Mr. Brian White (Milton Keynes, North-East): Is the Attorney-General aware of the consequences of lenient sentences on the many agencies that are trying to improve estates and make them safe? Lenient sentences can give rise to despair, and even cause more crime, as they lead people to believe that we are not serious about tackling crime. The Government must tackle lenient sentences as a key aspect in creating a safer Britain.

The Attorney-General: I agree entirely with my hon. Friend that it is of the utmost importance to ensure that life is made as safe as possible for all our people and that, in many estates, that poses an even greater problem for a whole host of reasons. He must know, however, that I cannot refer lenient sentences full stop; I can refer only unduly lenient sentences within the parameters laid down by the Court of Appeal in the decisions that it takes from time to time. I personally consider these matters and, if I do not, my noble and learned Friend the Solicitor-General does.

Lockerbie

28. **Mr. Tam Dalyell** (Linlithgow): How many people in his office are currently working on matters relating to the destruction of Pan Am 103 over Lockerbie. [39139]

The Attorney-General: The conduct of the criminal investigation into the Lockerbie tragedy is in the hands of my noble and learned Friend the Lord Advocate, as is the conduct of the on-going litigation before the International Court of Justice. However, officials from my office are involved in consideration and discussion of the matter as appropriate.

Mr. Dalyell: In the light of yesterday's Adjournment debate, can the third most ancient Member of Parliament in parliamentary terms ask the second most ancient Member of Parliament in parliamentary terms whether, as a distinguished lawyer and Queen's Counsel, he is bothered that the investigation should have gone on for 10 long years? Are not crucial witnesses such as Vincent Cannistraro, Buck Revell and Oliver North naturally getting older and older? Would any trial be meaningful without their presence?

The Attorney-General: I do not think that I can accept my hon. Friend's comment that he and I are the most ancient Members of the House. I have known my hon. Friend for more years than anyone else in the House. He is the third most senior member and I am the second—perhaps that description would be more appropriate.

I am aware of my hon. Friend's great interest in this subject and I have, in all seriousness, read the account of yesterday's debate in the House. However, the concern identified in my hon. Friend's question to me today is not one on which I can properly comment. It is a matter for my noble and learned Friend the Lord Advocate, who has conduct of the prosecution and, ultimately, for the court that tries the case.

Mr. Alan O'Connor

29. **Mr. Andrew Robathan** (Blaby): If he will make a statement on the failed prosecution in Leicester Crown court on 20 January of those charged with assaulting Mr. Alan O'Connor. [39140]

The Attorney-General: I know that the hon. Gentleman has received a helpful and full explanation from the Director of Public Prosecutions about this case, where the early handling of the investigation presented particular difficulties in relation to the identification evidence. These should have been addressed sooner than they were by the Crown Prosecution Service in this case. More generally, the CPS and Leicestershire police have set up a working party to consider such problems and to produce guidance to assist investigating officers.

Mr. Robathan: I am grateful for that sensible response from the Attorney-General. Does he accept that a case such as this—where two defendants were apprehended at the scene of a serious assault, where 11 witnesses came forward at the time, having seen the defendants assault my constituent, and where the defendants had blood on their shoes from kicking my defendant—undermines public confidence in the whole legal system, not just in the CPS? Will he tell the CPS in Leicestershire to reopen the case, as it was never heard in court?

The Attorney-General: I am aware of the hon. Gentleman's great concern. I have read his letters to the DPP and I have also read the replies. I do not wish to become unduly involved in this or any other case, as that would be contrary to the procedure laid down by my predecessor, Lord Havers. These are matters for the DPP.

I can assist the hon. Gentleman by repeating what the DPP has told me, because I asked to be informed following the hon. Gentleman's representations. First, it was a group identification carried out by the security staff and no steps were taken to prevent witnesses from talking among themselves. As I understand it, no identification was made by the victims—they failed to do that. The Court of Appeal has laid down specifically, and warned, that there is a difficulty in relying on this type of group identification. Indeed, under the Police and Criminal Evidence Act 1984, passed under the previous Administration, codes of practice were laid down and must be adhered to, to ensure that there is fairness.

What went wrong in this case was that the initial identification was carried out wrongly. It was pointed out by the CPS more than once that there could be some sort of failure. Unfortunately, the CPS did not pursue the matter and ensure that the police gave an opportunity to other witnesses to see a proper parade, which would be admissible in the court and which would form part of the evidence. That is a matter of deep regret and the DPP has made her position quite clear and apologised to the hon. Gentleman.

As regards the blood on the shoes, that was not a direct and unassailable piece of evidence. All it showed was that one of the defendants was in a position approximate to where the incident occurred, and no more.

Criminal Investigations

30. **Mr. Gordon Prentice** (Pendle): What responsibilities he has to ensure that criminal investigations are not unduly prolonged. [39141]

The Attorney-General: Neither the Director of Public Prosecutions nor I have any powers or responsibility for the investigation of alleged criminal offences. The conduct of criminal investigations is a matter for the police, who have a general duty to investigate allegations as expeditiously as possible, consistent with the interests of justice.

Mr. Prentice: I thank the Attorney-General for that answer. However, he will know that, in some other common law jurisdictions, police investigations that have dragged on for a very long time are called in, perhaps after 12 months, for review by an independent body, to ascertain the reasons for that delay. Given the Attorney-General's responsibility for the Serious Fraud Office—where investigations can roll on for years and years—and the concerns expressed by the Commissioner of Police of the Metropolis and others about police corruption, in which investigations may be put on the back burner by serving police officers, would not such an independent review body be a very useful safeguard?

The Attorney-General: This matter could well be considered. However, my hon. Friend—who I know has looked into the matter—will understand the difference between the police and the Crown Prosecution Service. The principle underlying establishment of the CPS was to separate the investigative process from prosecution. The situation is not the same in the SFO. Moreover, matters concerning the police are for the Home Secretary. Delay at any stage in investigating alleged criminal offences is a matter that can properly be taken into account by the CPS when considering a decision on whether to prosecute. Furthermore, the courts may take account of delay in all instances in which a case is made of abuse of process.

Sir Nicholas Lyell (North-East Bedfordshire): With regard to the Attorney-General's wider responsibilities for the enforcement of the law, does he agree that, in a civilised society, it is precisely when feelings are running very high that enforcement of the rule of law is at its most important? Although no one in the House would approve of the fact that someone who has committed an appalling crime should seek to profit from it, is it not the case that, when the court has made an order to seek to protect the innocent in those matters, everything should be done to ensure that that order of the court is not set at nought? Will the Attorney-General liaise with the Lord Chancellor and others involved in the matter to ensure that the innocent are protected when the courts intended them to be protected, and that they do not become the victims of either press frenzy or mob rule?

The Attorney-General: I agree entirely with the right hon. and learned Gentleman's comments. I agree also that the rule of law is of paramount importance specifically when feelings and passions are running as high as they are in that specific instance. The official solicitor is the child's guardian ad litem and is responsible for taking whatever action is necessary in the child's interests. I shall certainly take into account the right hon. and learned Gentleman's comments and draw them to the attention of the Lord Chancellor. The right hon. and learned Gentleman and I share concern for the welfare of young people. Whenever anonymity is at stake, one must do what one can to ensure that it is preserved. I am sure that the official solicitor will take into account the right hon. and learned Gentleman's observations.

Crown Prosecution Service

31. **Mr. Bill O'Brien** (Normanton): What new proposals he has to increase the proportion of successful prosecutions of cases brought by the CPS; and if he will make a statement. [39142]

The Attorney-General: In the past six years, approximately 98 per cent. of defendants prosecuted by the Crown Prosecution Service in the magistrates courts were convicted. That figure includes defendants who pleaded guilty. The corresponding figure for Crown court cases is just over 90 per cent. However, such statistics in themselves are not comprehensive indicators of performance. My hon. Friend will be aware that this Administration have established a review of the Crown Prosecution Service under the chairmanship of Sir Iain Glidewell whose terms of reference include scrutiny of these matters.

Mr. O'Brien: I thank my right hon. and learned Friend for his reply. Will he advise the House what action his Department is taking in respect of co-ordination and co-operation between various prosecuting departments to prevent any errors and confusion that may arise due to the lack of co-ordination with prosecutors? Will he also take action to ensure that we speed up the rate at which outstanding cases are brought to court so that people can have the satisfaction of knowing that justice will be done?

The Attorney-General: I am glad that my hon. Friend raised this matter, because it is sometimes forgotten that there are a number of different prosecuting agencies. I became aware of and concerned about the issue not long after taking office. In the past, poor co-ordination may have occasionally caused a problem. However, in February, I introduced the prosecutors convention which promotes a closer working relationship between all major Government prosecutors who are signatories to the agreement. It provides a structured approach to co-ordinated decision making and, whenever possible, the timing of any joint public announcement of the final prosecution decisions. I regard that as a major improvement.

Mr. Richard Allan (Sheffield, Hallam): Is the Attorney-General concerned about the low rate of successful prosecutions in rape cases? Does he have any plans to work with the Home Secretary to improve the quality of evidence available to the Crown Prosecution Service through the use of specialist facilities for rape victims?

The Attorney-General: Rape cases have particular difficulties. They are not as easy as many other cases to prosecute so that there is a finding of guilt, particularly when the issue—as it frequently is—is consent. The Crown Prosecution Service is always deeply aware of the need to ensure that the best possible evidence is made available to the court so that the jury can reach a fair and proper verdict, but in my experience there are frequently difficulties in such cases.

Kosovo

3.31 pm

Mr. Michael Howard (Folkestone and Hythe) (*by private notice*): To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on recent developments in Kosovo.

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): I am grateful to the right hon. and learned Gentleman for his question.

The crisis in Kosovo is of increasing concern. Since the Contact Group last met, we have received reports of numerous incidents involving fighting between the Yugoslav Army and Kosovar Albanians. The number of Yugoslav security forces in the province increases daily. Last week, Belgrade claimed that its soldiers had killed 17 members of the Kosovar liberation army, who they said were among 200 armed men crossing the border with Albania.

The reality is that President Milosevic continues to choose violence and repression over dialogue. The increase in the number of heavily armed soldiers, tanks and artillery pieces in the province, and the repression that they are imposing on the Kosovar people, are a direct block to any political solution. It is difficult to have any confidence that the Yugoslav army is acting proportionately and in observance of human rights. Although a large number of alleged terrorists have now been killed, no terrorist has yet appeared before a court and Milosevic has still not offered a meaningful dialogue, including the international involvement requested by the Contact Group.

When the Contact Group first met to discuss Kosovo on 9 March, it spelt out a 10-point action plan for a return to stability and also adopted four sanctions against the Belgrade Government. Action has now been taken on all the measures that can be adopted by the international community.

Last Monday, at the meeting of the General Affairs Council, we committed all the countries of the European Union to a ban on Government export credit to Belgrade and a ban on visas for certain members of the Yugoslav Government.

The United Nations Security Council has now carried a resolution imposing an arms embargo on the Federal Republic of Yugoslavia. Both the Organisation for Security and Co-operation in Europe and the European Union have stepped up their monitoring activities in Albania and on its border with Kosovo. The European Community monitoring mission has been deployed within Kosovo. The Contact Group has fulfilled its commitment to meet representatives of the countries of the region to seek their views and to reassure them of our commitment to stability throughout their region.

Although the European Union, the OSCE and the United Nations have fulfilled each of the measures recommended by the Contact Group, it is a matter of deep regret that President Milosevic has taken few of the steps demanded of him by the Contact Group.

It was against that background that senior officials from the Contact Group countries met yesterday in Rome to assess the performance of President Milosevic. They had been tasked to measure it against benchmarks set at the meeting that I chaired in London. They were united in their assessment that he had failed to meet those benchmarks.

Yesterday, therefore, the Contact Group agreed to implement a freeze on the funds held abroad by the Governments of the Federal Republic of Yugoslavia and of Serbia. We also agreed that, on 9 May, if there has been no change in Belgrade's approach, we shall take action to stop new investment in Serbia. I must tell the House that Russia alone in the Contact Group has so far dissociated itself from those further measures.

I hope that the House will join me in sending a clear message to Belgrade: that the international community is united in rejecting violence, the abuse of human rights and the denial of legitimate political expression.

Equally, we are united in calling on the Kosovar Albanians to renounce terrorism and to engage in political dialogue. No quarter can be given to terrorism, but the fight against terrorism must not become an excuse for widespread repression. We do not support independence for Kosovo, but we believe that its present status must be enhanced through meaningful autonomy. We are therefore determined to promote political dialogue on an enhanced status for Kosovo between Belgrade and Pristina as the only course that is likely to produce a stable, peaceful outcome.

We have set out a clear choice for President Milosevic. If he chooses peace and reconciliation, the Federal Republic of Yugoslavia can be accepted into the family of democratic nations of modern Europe. If he chooses repression and ethnic confrontation, he will himself condemn his country to deepening and continuing isolation. I am sure that the whole House will join me in urging him to choose peace and reconciliation.

Mr. Howard: I am grateful to the Foreign Secretary for his reply and I associate the Opposition with his concluding remarks and his condemnation of repression and violence.

Will the Foreign Secretary confirm that more than 150 people have been killed in Kosovo in the past two months alone? On 7 April, I asked him to take a lead in urging that observers be stationed in Kosovo, on pain of increased sanctions against Serbia. He referred in his reply to the presence of the EU monitoring mission. Will he tell us more about its activities? How long has the mission been in Kosovo? How many members does it have? Are they allowed to operate without let or hindrance? Do they have free access to the parts of Kosovo that they want to visit?

Has the Red Cross continued to visit or monitor the area? What progress has been made on the extension of the mandate of the UN force on the border between Macedonia and Serbia, which my hon. Friend the Member for Chichester (Mr. Tyrie) requested on 7 April? The Foreign Secretary told the House on that occasion that he was exploring with Albania and other neighbouring states how they might be provided with similar security and reassurance. Can he tell us what progress has been made in achieving that objective?

Finally, will the right hon. Gentleman tell us what confidence he has that the measures announced yesterday will be effective and what action he proposes to take if they do not have the effect that he and the whole House want them to have?

Mr. Cook: I am grateful to the right hon. and learned Gentleman for his statement of support for the position taken by the Government and by the international community. It is an important signal to Belgrade that those there should understand that there is unity, not division, in the attitude of the international community.

The tragedy of Kosovo is that I am not able to confirm how many people have been killed. The figures for the past week have come from the Belgrade authorities. We have not been able to obtain any independent verification of them. I can say only that, from the figures that we have, the number killed certainly exceeds 100 and is most certainly far too high. Each one of the deaths is a cause for regret.

The right hon. and learned Gentleman asked about monitoring. The European monitoring mission that has been deployed in Kosovo is technically attached to Belgrade. It has extended its remit and practice to provide controls in Kosovo. Our understanding is that, by and large, it has had a fair degree of ability to operate in the populated areas in Kosovo. I should add that, as a result of a decision of the Contact Group, every EU country is encouraging its embassy in Belgrade to send its staff on monitoring missions and provide a presence in Pristina and Kosovo. I should like to pay particular tribute to the defence attaché at our embassy in Belgrade, who has regularly toured Kosovo, often at considerable risk.

The Red Cross has deployed to Kosovo. My understanding is that it is continuing its presence there. The truth is that none of us has monitors in the remote mountainous regions where recent clashes took place. Such regions are, by and large, accessible only by the kind of military vehicle that the Yugoslav army has deployed.

On the issue of UNPREDEP—the UN preventative deployment force on the border with the former Yugoslav Republic of Macedonia—I am pleased to say that there is a consensus at an international level that its mandate must be extended. The best way of doing that, and what is the best mix between an UN mandate and a NATO presence, are under discussion, but I assure the right hon. and learned Gentleman that I am confident that we shall be able to extend that remit.

The OSCE monitors are now deployed in Albania. They and the European Community monitoring mission regularly visit, from Tirana, the border with Kosovo. We continue to be in dialogue with the Albanian Government as to how we can improve monitoring and observance of their border with Kosovo.

The right hon. and learned Gentleman asked me what confidence I have in the response of President Milosevic. I must say that I would be unwise indeed to express any confidence in President Milosevic's behaviour. I met him shortly after the crisis began, at the very beginning of March, and I very much regret to say that he did not appear to show any understanding of the importance that the international community attaches to this issue. Nor did he appear to recognise that, if he wishes to defuse the growing difficulty of violence with Kosovo, the way in which to do so is not by escalating the violence but by promoting political dialogue. I therefore cannot give the right hon. and learned Gentleman any assurance on behalf of President Milosevic. I can, though, assure him, and President Milosevic, that the international community will continue to show determination and resolve in giving priority to bringing the issue to a peaceful, not a violent, conclusion.

Mr. Donald Anderson (Swansea, East): At the London conference that the Foreign Secretary convened, by skilful diplomacy, he kept a substantial degree of unity among the outside powers. We now understand that Russia has dissociated itself from the present range of measures. How does my right hon. Friend read that Russian position? It could be quite dangerous if Russia were, for example, to go beyond a technical dissociation and supply arms and other materiel to the Yugoslavs. How significant is it that Russia has dissociated itself from what was a common position?

Mr. Cook: Russia cannot—nor, for that matter, can any other country—now provide military equipment or materiel to the Government in Belgrade without being in defiance of a UN Security Council resolution for which Russia itself voted. On the arms embargo, I expect Russia to abide by the agreement that it gave to the Contact Group and the resolution it supported at the UN. It is a matter of regret that Russia has decided not to participate in some of the wider economic sanctions which have been applied. There is undoubtedly a risk that that division in the international community, and the practical support it may offer from Russia to Belgrade, could give heart to President Milosevic in ignoring the strong signals sent by the international community.

Although it can be difficult and frustrating working through a Contact Group in which there is no ready unanimity, it is much better that we preserve that forum as the basis for dialogue with other countries, such as Russia, which may not immediately share our approach to the situation to bring them on board as often as we can—as we did with success on the arms embargo. Finally, I note that, although Russia has not chosen to support the specific sanctions, it is frank and open in sharing our assessment of the situation in Kosovo and the need for international action.

Mr. Menzies Campbell (North-East Fife): Is it not clear that an already explosive situation in Kosovo is likely only to deteriorate further unless the Milosevic Government abandon their provocation towards the ethnic Albanians and, in particular, their defiance of international opinion? What is the Foreign Secretary's assessment of the possible consequences for the fragile and tentative gains made in Bosnia if the unrest continues?

May I repeat to the right hon. Gentleman the proposals that I made earlier this week in a letter, one of which he has almost accepted—that the UN force on the Kosovo-Macedonia border should be strengthened? The Foreign Secretary has said that its mandate might be extended, but it is essential that the force should be strengthened. In view of the apparently favourable attitude of the Albanian Government, should not a NATO force be established to screen the Kosovo-Albania border? In addition, the Russian Government may not wish to associate themselves with all the conclusions of the Contact Group, but should they not, none the less, be

[Mr. Menzies Campbell]

asked to persuade Mr. Milosevic to draw back before it is too late? Finally, without in any way endorsing military action, should not NATO officials be asked to study how the alliance's resources might best be used to preserve human rights and to maintain stability throughout the region?

Mr. Cook: On the last point, we remain in close dialogue with our NATO partners. We have examined what may be the best form of the continuing international military presence on the border of FYROM with Serbia. Exactly what that mix would be, and quite who would be best placed to ensure the right level of presence, is under discussion. I can guarantee that it will be extended and appropriate to the perceived threat and task for that force.

The hon. and learned Gentleman raised an important aspect of the current crisis—it is not confined simply to Kosovo, and the growing tension there can spill over elsewhere. It would be a deep tragedy if the mounting tension within Kosovo were to put in reverse the hard-won gains made within Bosnia. As the House will know, I recently addressed the assembly of Republika Srpska in Banja Luka. The change in politics there under the Administration of Mr. Dodik has been quite remarkable. The greatest source of hope for the future within Bosnia is if we can build on that to achieve reconciliation between Serb, Bosniak and Croat. We are determined to make sure that that is not put into reverse, and we are looking to see how we can make sure that the border of Bosnia is also secured. I totally echo the hon. and learned Gentleman's opening thought. The great tragedy of the current situation in Kosovo is that President Milosevic is now the best recruiting sergeant for the Kosovar liberation army.

Ann Clwyd (Cynon Valley): My right hon. Friend has painted a grim scenario. Should we not be actively preparing for military intervention, if only for humanitarian reasons, so that a catastrophe similar to the previous catastrophe in Europe can be avoided?

Mr. Cook: I understand the concern that prompts my hon. Friend's question. We discuss with our partners possible responses that may be needed. Previous experience has suggested that military involvement purely for humanitarian purposes would work only where there is acceptance by the host Government. At present, there is no prospect of that. The way forward is political dialogue between Belgrade and Pristina. That is the objective of the international community, to which we shall work. We must weigh carefully any suggestion of a military presence against the consequences of it elsewhere in the region. They would not always necessarily be peaceful, nor welcomed by all of the countries in the region.

Mr. Andrew Tyrie (Chichester): The Foreign Secretary has made welcome remarks about the tightening of sanctions. The reality is that sanctions appear to have had little effect on Milosevic; if anything, they deepen the nationalism in Serbia, although we should go ahead with them.

The key issue is the spread, and the risk of the spread, of the conflict to other parts of former Yugoslavia. The Government still do not appear to be doing enough to press for an increased military presence in the former Yugoslav Republic of Macedonia. It is welcome that existing forces are to have their life extended, but is he pressing for a substantial increase in those forces and, if so, what level does the Foreign Secretary think is appropriate to offer an effective deterrence to possible Serb aggression in Macedonia?

Mr. Cook: I shall respond to the hon. Gentleman's second point, and then deal with his first point.

We must weigh carefully the purpose of the force on the border of the former Yugoslav Republic of Macedonia. Its purpose is to provide a clear signal of confidence to the Government in Skopje and a clear signal of our concern to Belgrade, to make sure that it understands that concern. The great majority of the troops on the border are American. The number on the ground is much less of an important signal to Belgrade than the fact that they are American. I assure the hon. Gentleman that we shall make sure in our discussions, which are active at present, that whatever force is deployed will be appropriate to the task and the purpose of the force.

The hon. Gentleman made a fair point when he drew attention to the need for care so as not to drive the population of Serbia back behind President Milosevic, especially given that, over the years, more and more of them have shown a tendency to differ from him. When I was last in Belgrade, I met a number of young people who were associated with the independent radio network. Their views were as cosmopolitan, as pluralist and as forward-looking as those of young people in any other capital of Europe.

It is important that we send a signal to those of alternative views within Serbia that there is an alternative future for it: if President Milosevic and the Government in Belgrade responded to the offers and demands that we are making, we should be willing to work positively with Serbia. It is important that we send that signal if we are to maximise the courage of those who want to speak out against President Milosevic, rather than maximise Serbian support behind him.

Mr. Kevin McNamara (Hull, North): My right hon. Friend rightly talks about the need for conversation between Pristina and Belgrade, but, as President Milosevic has just had a massive referendum result, which would seem to cement him into his position, and the Albanians in Kosovo will talk only if there is an international presence at any talks, there seems to be an impasse.

Although we encourage my right hon. Friend and the Contact Group to get such talks going as soon as possible, is there not a case not only for strengthening the presence in Macedonia on the border but for putting in an international force on the Albanian border to show the determination of the international community that what is happening in Kosovo will not extend to other countries, where there could be a conflagration if signs and demonstrations are not made in respect of defending the Albanians in Kosovo?

Will my right hon. Friend give more detail of the presence at the feast of which there has been little discussion—the United States Government? What is their attitude, and are they giving a lead, as they have in the Balkans where Europe has failed in the past?

Mr. Cook: We remain in close contact with our colleagues in the United States and we work closely with

them in co-ordinating the position that we take to the Contact Group. It would be fair to say that all that I have expressed from the Dispatch Box today would be entirely shared by Madeleine Albright, the US Secretary of State. I hope to discuss those matters and others with her when she is in London this Sunday evening.

My hon. Friend referred to the referendum result. That massive referendum result seems to be a classic illustration of the maxim that if one writes the question one will get the answer that one wants, and in that case—*[Interruption.]* Our questions were entirely fair and received a perfectly fair and honest reply. I do not think that even those Conservative Members who are indulging in hilarity would defend the question as drafted by President Milosevic. We have no problem defending our questions, nor have the people who voted in large numbers for them.

My hon. Friend also referred to the need for international facilitation for the talks between Belgrade and Pristina. Those talks will happen only if there is some degree of international involvement. That is why we have recommended that Felipe Gonzalez, the representative of the President of the OSCE and of the EU, should have his mission accepted in Belgrade and should be allowed to start work there. We are willing to facilitate those talks and we believe that that is the best way in which those talks can start.

Mr. Crispin Blunt (Reigate): Can the Foreign Secretary confirm that the international community, through the Contact Group, had information and intelligence that the situation in Kosovo was likely to deteriorate before violence took place there? Will he undertake an examination of how the Government use intelligence and information in order to spark Contact Group action and sanctions against members of the international community, such as President Milosevic, in advance of violent happenings when the Government have information available to prevent such things happening at the time, rather than wait for violence to happen and for us then to appear to be driven by our television screens?

Mr. Cook: I am not aware of any specific intelligence of the character to which the hon. Gentleman refers, but we have responded rapidly and robustly to the developing situation. Within two weeks of the violence, we had the first meeting of the Contact Group which applied the first four sanctions. We now have in place an arms embargo and a number of economic sanctions. That compares and contrasts favourably with the international community's record back in 1991 at the first break-up of the former Yugoslavia when it took almost a year to apply any sanctions. We are now in a position where we have to review whether those measures are sufficient and whether others are required, but no one could fairly accuse the Contact Group or the EU of not responding with speed on this occasion.

Mr. John Home Robertson (East Lothian): My right hon. Friend has already referred to the disproportionate and oppressive deployment of Serb forces in Kosovo. Without necessarily drawing any conclusions, will he take this opportunity to confirm that NATO has the capacity to maintain effective and accurate surveillance of those forces?

Mr. Cook: NATO, and our partners within NATO, have a capacity to maintain surveillance, but the mountainous region near the border between Albania and Kosovo is a difficult terrain and our information as to what is happening on the ground is not as full as we should wish it to be. We shall obviously try to obtain the best information that we can and to act upon it, but we are dealing with a difficult Government who operate under a cloak of secrecy, and a mountainous terrain where surveillance is difficult.

Mr. John Randall (Uxbridge): Do the British Government have evidence of any material aid coming to the Kosovar Albanians from outside, whether it be from the Republic of Albania or any other country, or a fundamentalist Muslim group?

Mr. Cook: The hon. Gentleman asks a question about our intelligence information and he will understand why I cannot respond to it. We seek to understand as best we can from where support is coming. As best we know, the bulk of support that is reaching the Kosovar liberation army comes from fund raising throughout Europe. There is no great secrecy about that.

Mr. John Austin (Erith and Thamesmead): I welcome the Foreign Secretary's very firm statement, but does he agree that the unity and resolve of the international community are essential if two dangerous messages are not to be sent? First, if it fails, President Milosevic will be reinforced in his view that he can oppress the people of Kosovo with impunity. Secondly, if the view takes root among the people of Kosovo that the international community is unable to protect them, it will undermine the peaceful approach that President Rugova has adopted, which so far has enjoyed the majority support of the Kosovar people. Does my right hon. Friend share my view that, if all that fails and Milosevic chooses the path of repression, the only solution will be to recognise the rights of the people of Kosovo to self-determination?

Mr. Cook: I must first respond to my hon. Friend's last point. If by self-determination he means a right to independence, I have to say that no voice in the international community supports independence for Kosovo. We must be very much alive to two features when we handle that question: the consequence throughout the rest of the Balkans of such a development and the extent to which what we do would undermine one of the principles that we are trying to apply throughout the Balkans—the inviolability of international borders.

The rest of my hon. Friend's question is perfectly fair and is, indeed, political common sense. If President Milosevic continues on the present path, he will make it much more difficult for the present political leadership of the Kosovar Albanians to maintain their standing pursuit of peaceful reconciliation and peaceful progress. I believe that President Milosevic is fortunate in the leadership of the Kosovar Albanians, who have rejected violence as a means forward, and I am pleased to say that the very large participation by the Kosovar people in the parallel elections there showed their own rejection of the boycott demand of the Kosovar liberation army.

Mr. Keith Simpson (Mid-Norfolk): Can the Foreign Secretary confirm that elements of the British Army will

[Mr. Keith Simpson]

be undertaking an exercise in Macedonia? What does he believe that they will contribute to stabilising the current crisis?

Mr. Cook: I am not aware of that, and I am not in a position to say what the Ministry of Defence may be doing on that. We maintain close contact with those who are in UNPREDEP, and we would certainly not necessarily shirk our own participation.

Dr. Norman A. Godman (Greenock and Inverclyde): If the sanctions and embargoes outlined by my right hon. Friend today persuade President Milosevic to engage in genuine political dialogue with the ethnic Albanians, does he anticipate former Prime Minister Felipe Gonzalez playing a role, analogous to that so ably performed by Senator George Mitchell, in the attainment of a tolerable accommodation between the Serbs and the ethnic Albanians?

Mr. Cook: Let me first respond to the previous question and say that I am advised that there has been British participation in a long-standing NATO exercise within the former Yugoslav Republic of Macedonia. To respond to the question that has just been put to me, yes, we do see a clear role for Felipe Gonzalez's mission. Whether the type of detailed role that my hon. Friend suggests is one that Mr. Gonzalez, or someone working with his mission, would carry out is a matter for discussion and to be elaborated.

Tragically, we are a long way from that, because we have yet to obtain agreement from President Milosevic that he will receive Mr. Gonzalez's mission. If President Milosevic wishes to take the first step of bringing the Federal Republic of Yugoslavia back into the international community and modern Europe, I urge him to accept as soon as possible that the way to do so is to enter into dialogue with those who are appointed to represent it by the international community.

Mr. Michael Fabricant (Lichfield): I welcome the Foreign Secretary's measured tones, but does he find it not only regrettable but ominous that Russia would not associate itself with the Contact Group's decision late last night? If he casts his mind back to the time of the conflict in Croatia and Bosnia-Herzegovina, he will recall that many arms, and material and other forms of support, came from the Russian Government or from sources within the Russian Federation. What hope can he give today that sanctions will be more effective now than they were in 1992?

Mr. Cook: As I told the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) earlier, I can make no confident prediction as to what President Milosevic's response will be. Certainly, if the international community is going to be obliged to assert its will through sanctions, those sanctions will take time to have their effect. Nevertheless, neither the hon. Gentleman nor the House should underrate the extent to which we have put in place a formidable array of sanctions. They include: a ban on Government credit for exports; a ban on investment in the privatisations of President Milosevic; and, unless there is a change by 9 May, a ban on investment. We are also imposing a freeze on his Government's assets. We have chosen measures that will hit the Government and President Milosevic, not the ordinary people of the Federal Republic of Yugoslavia. Those measures are considerable and they will have a serious impact on the functioning of that Government.

Mr. Harry Barnes (North-East Derbyshire): When economic sanctions helped to change the situation in South Africa, they had the support of the African National Congress, which spoke for the mass of the people there. Has there been any equivalent response in Yugoslavia, or in Kosovo among the majority Albanian population? Do they support sanctions which, in the end, will affect the ordinary people as well as the leadership of the Yugoslav regime?

Mr. Cook: As far as we are aware, all the steps taken by the Contact Group have had broad support from the leadership of the Kosovar Albanians. Kosovo's economy is quite distinct from that of Belgrade, so I do not believe that the measures that we have adopted have given rise to any tension on their part. The point was made when I last reported to the House that there is some anxiety among the neighbouring countries that we should avoid trade sanctions that would hit them as hard as Belgrade. That is why we have chosen a range of economic sanctions targeted on Belgrade, not on friendly neighbouring countries.

Mr. Tam Dalyell (Linlithgow): Is not the inconvenient reality that, without the support of Slav Russia, the rest of us can whistle in the wind as long as we like without being able to influence President Milosevic? In answer to my hon. Friend the Member for Swansea, East (Mr. Anderson), the Foreign Secretary replied that the Russians had said that they wanted international action. What exactly do they want; what do they think should be done?

Mr. Cook: I am not entirely sure that my hon. Friend's concluding questions might not be better addressed to Mr. Primakov. I can tell him that, through our dialogue in the Contact Group, we have persuaded Russia—not with any initial enthusiasm on its part—to sign up to the international arms embargo. That is an important gain, given Russia's powerful historic role as a supplier of weapons to the former Yugoslavia. It is true that it would greatly assist the impact of the measures that we have adopted if Russia were an enthusiastic participant in them; but I cannot accept the implication of my hon. Friend's opening comment—that, without Russia's support, we should not try to do anything. It is important that we do all that we can; Europe was an important source of much of the investment and many of the export credits that were going to the FRY. Europe therefore can have a serious impact through the economic sanctions.

Mr. Ben Bradshaw (Exeter): While the flaking away of Russia was regrettable, was it not also highly predictable, and did it not strengthen the need for the rest of the Contact Group to remain unanimous in its resolve to stand up to Slobodan Milosevic's nationalist

aggression? Is it not now time to accede to the Albanian Government's requests for troop deployments on their border with Kosovo?

Mr. Cook: As I have said in responding to several hon. Members, we have consulted our partners on this issue. The House should not underrate the extent to which the European Union and OSCE actively monitor the border between Albania and Kosovo.

On whether Russia's departure, or defection, on those measures was inevitable, I can say only that we shall have an opportunity to discuss that again in a fortnight's time when all the Foreign Ministers of the Contact Group will be in London for the G8 Foreign Ministers' meeting. We shall also take up many of those points again with Mr. Primakov.

Mr. Paul Flynn (Newport, West): Much of the media that cater for the Albanian ethnic population have been closed by direct acts of violence or by the actions of a corrupt judicial system. One newspaper was punished by a judge for printing, accurately, a headline reading, "15 Albanians killed", which he irrationally said should have read, "15 terrorists killed". Will the Government act to replace Albanian radio stations that are now silent with alternative stations broadcasting from outside Kosovo?

Mr. Cook: I shall first respond to my hon. Friend's question, then share in the premise that led to it. Technically, it is not easy to do what he suggests in the terrain between Albania and Kosovo, and there are also serious issues of political sensitivity about beaming radio stations from Albania into Kosovo. Having said that, I do not in any way dissociate myself from my hon. Friend's opening remarks. One of the tragedies of the situation within the federal republic is the way in which there is no genuine freedom of expression, particularly for the broadcast media. There is an absence of freedom of expression in Kosovo for Albanian language broadcasting stations. We continue to press the Government in Belgrade on that, and, although alternative subjects should not be ruled out, we should not avoid recognising that the primary responsibility lies with President Milosevic. He must be brought to grasp the fact that, in a modern Europe, freedom of expression for broadcasting stations is an essential part of a free and democratic state.

Business of the House

4.11 pm

Mrs. Gillian Shephard (South-West Norfolk): May I ask the Leader of the House to make a statement on the business for next week?

The President of the Council and Leader of the House of Commons (Mrs. Ann Taylor): The business for next week is as follows.

MONDAY 4 MAY—Bank holiday.

TUESDAY 5 MAY—Remaining stages of the Magistrates' Courts (Procedure) Bill *[Lords]*.

Second Reading of the Late Payment of Commercial Debts (Interest) Bill *[Lords]*.

WEDNESDAY 6 MAY—Until 2 pm, there will be debates on a motion for the Adjournment of the House.

Remaining stages of the Scotland Bill (first day).

THURSDAY 7 MAY—Second Reading of the Tax Credits (Initial Expenditure) Bill.

Remaining stages of the Police (Northern Ireland) Bill.

FRIDAY 8 MAY—Debate on Hillsborough on a motion for the Adjournment of the House.

The provisional business for the following week is as follows.

MONDAY 11 MAY—Second Reading of the Competition Bill *[Lords]* (second day).

TUESDAY 12 MAY—Remaining stages of the Scotland Bill (second day).

WEDNESDAY 13 MAY—Until 2 pm, there will be debates on a motion for the Adjournment of the House.

Consideration of any Lords amendments which may be received to the Social Security Bill.

THURSDAY 14 MAY—Consideration in Committee and remaining stages of the Tax Credits (Initial Expenditure) Bill.

Debate and motions on modernisation of the House of Commons.

FRIDAY 15 MAY—The House will not be sitting.

The House may wish to know that, subject to the progress of business, it will be proposed that the House should rise for the Whitsun recess on Thursday 21 May until Monday 1 June. I should emphasise that those dates remain tentative, as the legislative burden on the House has increased as a result of the peace process in Northern Ireland.

Mrs. Shephard: I thank the Leader of the House for her statement, for giving the business for two weeks and for the advance notice of the Whitsun recess. I know that the business for the second week is provisional, as the Leader of the House pointed out, but could she perhaps re-examine the timing of the debate on the modernisation of the House of Commons? She and I have been in touch about that matter and she knows that there is a difficulty on our side. We shall be accommodating, but I know that she will do her best to see what might be done.

The House will recall the right hon. Lady's answer last week when I asked whether we might have a debate on foreign affairs. We have just had the benefit of the presence of the Foreign Secretary in the Chamber in

[Mrs. Shephard]

response to a private notice question from the Opposition. We appreciate the pressure of business on the Government—although that is largely a matter of choice for them.

Following the publicity at the beginning of the year about Britain's presidency of the European Union, it seems curious that we have not heard more from the Foreign Secretary about that matter and about his ideas for an ethical foreign policy. I ask again that the right hon. Lady gives parliamentary credibility to the Government's expressed enthusiasm for the EU presidency and their new ideas for foreign policy by arranging a debate.

I repeat my request of last week regarding the publication of the registration of political parties Bill. The publication of that Bill was promised on 9 April in the other place, and it was claimed that the legislation would appear shortly after Easter. It is true that we are still in a period that could be loosely regarded as being shortly after Easter, but, as I said last week, the publication of that Bill and knowledge of its contents are necessary to our consideration of constitutional matters that will come before the House in both the Scotland and Wales Bills.

Will the right hon. Lady arrange for a debate on the financing of party political advertising? I have written to her about the disclosures in *The Independent* newspaper of 24 April that Labour Members of Parliament were apparently advised that they could claim the costs of party political briefings from the Fees Office. The House will be glad to have the right hon. Lady's confirmation that that was a try-on, that it is not an appropriate cost for the taxpayer to meet and that her colleagues have been advised accordingly.

Will the right hon. Lady arrange for a debate with Treasury Ministers so that we may hear whether they agree with figures produced by the House of Commons Library that, after a year of Labour government, the average family is £1,000 worse off?

Will the Leader of the House arrange for a debate on ministerial responsibility, particularly regarding ministerial replies to letters from hon. Members? In the past, the right hon. Lady has, understandably and correctly, asked for specific examples. Sadly, I have two myself—both concerning the Minister of Agriculture, Fisheries and Food. The Minister took from 27 January to 28 April to answer a simple query about sugar beet and, to date, despite repeated direct requests to his private office, he has found himself unable to reply to a letter that I sent on 7 February.

I cannot imagine what the Minister can be doing with himself. It is not as though he cares to participate in debates concerning his Ministry, which must save some time. I do not imagine that his job is very different in substance now from what it was when I did it. I hope that the right hon. Lady will take up those rather gross examples with her right hon. Friend. They cannot possibly accord with the image of themselves that the Government wish to convey.

Mrs. Taylor: I start by thanking the right hon. Lady for her opening remarks. She pointed out that the second week's business is always provisional, which is one of the reasons why we have had to alter next week's business. I know about the real difficulties that the right hon. Lady has with the date on which we have scheduled the modernisation debate. However, we are extremely short of time. The right hon. Lady understands our difficulty, and I know that she wants the debate as much as I do. I cannot promise to reschedule the debate, but I shall undertake to look at it and do what I can.

I do not think that it will be possible to have a debate on foreign affairs before the Whitsun recess, but I hope that the situation will ease somewhat in the summer. We have extra legislative burdens because of the welcome progress that has been made in Northern Ireland, and the whole House would want us to make progress on those matters.

I hope that the Bill on the registration of political parties will be published shortly. The right hon. Lady knows that my right hon. Friend the Home Secretary has kept Opposition parties informed of our plans, going back to February and again this month, and he has invited comments to ensure that both sides of the House play a part in the drawing up of details.

The right hon. Lady suggested that the Labour party was asking its members to pay for party political briefing out of Fees Office money. I reject that interpretation of what was happening. There may have been some confusion over the precise nature of the service that was being suggested. Labour Members do not do, and have no intention of doing, anything other than abide by all the rules of the House.

We have had some extremely good debates on Treasury matters this week. My right hon. and hon. Friends at the Treasury have shown how much average families will benefit from the Budget. Having spent three days on that subject, there is no need to debate it further.

As for ministerial responses to answers, I shall look at the two specific examples that the right hon. Lady mentioned. I do not know whether she was here during MAFF questions earlier today to raise them directly with the Minister, but she is aware that many Departments have had a substantial increase in the volume of correspondence and, by and large, most Ministers reply to letters within the time guidelines that are laid down.

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): Is my right hon. Friend aware of the growing concern about the handling of compensation claims by former miners suffering from lung disease and especially from the illest and oldest who seem to be excluded from compensation terms? Will she make arrangements at least for an appropriate statement to be made to deal with those matters, which are of considerable concern to many people?

Mrs. Taylor: I cannot promise a statement on that, but I know that my hon. Friend has a long-term interest in that problem, which particularly affects his constituents. I shall ensure that my right hon. Friend the President of the Board of Trade and Secretary of State for Trade and Industry is aware of his concerns today.

Mr. Paul Tyler (North Cornwall): Can the Leader of the House confirm that this morning outside the House the Home Secretary made a statement—a remarkable statement—in which he admitted that his officials had for many months been aware of the Mary Bell controversy,

yet Ministers were not briefed on the issue? Will she confirm that that statement was made and explain why, yet again, an important statement has been made outside the House instead of to the House?

May we have an idea of when we shall receive some guidance from the Government on their attitude to the wider issues of media ownership and media behaviour? I am thinking not just of the predatory pricing issue, which can be raised when we debate the Competition Bill the week after next, but of the serious issues that now arise. None of us wants to impose censorship, but we need guidance from the Government on their attitude to the extent to which the newspaper and media industries should be self-regulatory and exercising self-discipline. I have in mind the hypocrisy over cheque-book journalism, which was exposed yet again today, and incitement to commit breaches of the peace. The way in which the local and national media have been inciting people to act as lynch mobs is totally unacceptable. May we please have an early debate and a statement from the Home Secretary?

Mrs. Taylor: The hon. Gentleman raises important and sensitive issues. Any statement that my right hon. Friend the Home Secretary has made would have been extremely carefully worded and factual. He would not have gone behind the back of the House.

As the hon. Gentleman pointed out, there will be a chance to raise the issue of media ownership when we debate the Competition Bill. I do not propose to find time for a wider debate in the near future in Government time, but next time the Liberal Democrat party has an Opposition day, it could consider that subject.

Mr. Gerald Bermingham (St. Helens, South): Will my right hon. Friend consider holding a debate, perhaps not in the immediate but in the not-too-distant future, on Home Office prison policy, particularly overcrowding in prisons, which has now become intolerable? Prison conditions are described as appalling at best. The test of a society is how it treats its prisoners, and we seem to be failing in that at the moment.

Mrs. Taylor: We have important legislation before the House on crime and disorder, to which those issues are relevant. I cannot promise an early debate on the aspect of the criminal justice system to which my hon. Friend refers, but it is Home Office questions a week on Monday.

Mr. Peter Brooke (Cities of London and Westminster): May I constructively ask the Leader of the House to consider making a statement on the increasing tendency of Ministers to use mechanical signatures when replying to letters from hon. Members? Leaving aside the conflicting claims of courtesy and modernisation, it is not currently clear whether such practice is a general Government policy, which would have standard and universal conventions, or a series of private initiatives by individual Ministers.

Mrs. Taylor: It is not a general Government policy, and I do not think that it happens a great deal.

Mr. Paul Flynn (Newport, West): Does my right hon. Friend agree that the exchanges that we had on Monday regarding the important White Paper on tackling the drugs problem were no substitute for a debate? None of the Back Benchers who took part in those exchanges had had a chance to read the White Paper. It is amazing that we have gone through an entire year without a debate on this important matter. She may argue that Back Benchers can apply for a debate, but I have done so every parliamentary week of the year and have failed to secure one. We must have a chance to debate this important subject now that the Lisbon monitoring group has said that Britain has the worst problem of illegal drugs of any country in Europe.

Mrs. Taylor: I sympathise with my hon. Friend if he has been trying to secure a debate on drug issues. There have been some Adjournment debates on drugs in this Session, and hon. Members had an opportunity to air their views on the White Paper on Monday. I was pleased with the general support that the House gave to our approach to tackling the drugs problem.

I understand the need for a debate, but I am not sure about the precise timing. We are under great pressure on time, but I would give the matter sympathetic consideration. It may be better to have such a debate in a few months, when more outside bodies have been able to consider the White Paper. We could then determine how policy was progressing.

Mrs. Caroline Spelman (Meriden): In Agriculture Question Time today, the Minister would not admit to the fact that the Government's White Paper on public expenditure shows a £139 million underspend. Will the Leader of the House find time for an early statement to clear up the confusion that afflicts an industry that has been badly affected? It is all the more important because the same source of figures shows a £46 million underspend for next year.

Mrs. Taylor: I cannot find time for such a statement, although there will be a debate on the common agricultural policy in the not-too-distant future. I have nothing to add to what my right hon. Friend said earlier.

Mr. Ernie Ross (Dundee, West): On the comments by the right hon. Member for Cities of London and Westminster (Mr. Brooke), surely the point that my right hon. Friend should consider is whether Ministers read the correspondence and whether they make every effort to give a helpful, precise and concise response quickly. The fact that a mechanical signature has been used is not the key issue. Does she agree that it is more important that the Minister has read and dealt with the contents of the correspondence?

Mrs. Taylor: I understand that, in the case to which the right hon. Member for Cities of London and Westminster (Mr. Brooke) referred, he received a personal assurance from the Minister that he had read the correspondence.

Sir Michael Spicer (West Worcestershire): As we are to debate economic and monetary union for only about two hours, will the right hon. Lady allow us another debate next week? If she is not prepared to do that, will she apologise for the shortness of time available this afternoon, given that a massive decision will be taken next weekend on EMU and that there are two important House of Commons reports before us?

Mrs. Taylor: No, I will not. The arrangements for today's debate were agreed through the usual channels,

[Mrs. Taylor]

and we undertook not to arrange for any extra statements today. It was, of course, a private notice question from the Opposition that curtailed today's debate.

Mr. David Winnick (Walsall, North): Many of us hope that, when we debate the Competition Bill on Monday week, we shall be able to support the Government on the pricing of newspapers. Is my right hon. Friend aware that at leat some of us consider it wrong for one newspaper, *The Times*, to be priced so as deliberately—there is no other way of describing it—to undermine other broadsheets?

Mrs. Taylor: I think the House is well aware of the issues involved in the Bill, and the defective nature of the amendment tabled in another place; but there will be plenty of time in which to debate those issues on Second Reading.

Mr. David Curry (Skipton and Ripon): The Leader of the House will know that, in the past few months, the Government have published no fewer than six detailed papers on the future of local government, as well as consultation documents on regional planning and regeneration. However, not one of them has been the subject of a statement in the House. As everyone has been consulted, should not the House also be consulted? Will the right hon. Lady arrange an extensive debate on this crucial issue?

Mrs. Taylor: Of course it is right for hon. Members to have an opportunity to feed in their ideas as part of the consultation process. It is open to any hon. Member to approach my right hon. Friend the Secretary of State for the Environment, Transport and the Regions, and I am sure the right hon. Gentleman has done that.

A number of documents are out for consultation. They are interrelated, and it is up to any hon. Member who wishes to feed in ideas to write to my right hon. Friend.

Mr. Gordon Prentice (Pendle): Will my right hon. Friend pass my warmest congratulations to the Lord Chancellor—who has been getting a bad press recently—and to the Parliamentary Secretary, Lord Chancellor's Department? Earlier this week, they decided to publish in the *Official Report* the earnings from legal aid of some Queen's counsel who can earn up to £200,000 a year from the public purse. Given that tomorrow, in the House of Lords, another intake of 50 Queen's counsel will be sworn in, wearing their breeches and silver-buckle shoes, is there not a case for an early debate on the legal profession generally? That would allow Labour Members and, indeed, Opposition Members to express their concerns.

Mrs. Taylor: We have had debates on legal aid recently. I will of course pass on my hon. Friend's congratulations to the Ministers involved, but those congratulations may be slightly muted, because this is not the first occasion on which such information has been made available; the previous Government made it available.

Mr. Tony Baldry (Banbury): I am sure that the Leader of the House will agree that one of the most important decisions that the House and the country will have to take concerns our whole approach to economic and monetary union. Is it not a scandal that the House will have only two hours in which to debate that issue this afternoon?

Does the right hon. Lady agree that the hallmark of this Government is contempt for Parliament? This is not a parliamentary debate; it is a parliamentary soundbite. It is hardly surprising that the BBC is reducing its coverage of Parliament, when the Leader of the House and the Labour Government treat this place like a senate of Lilliput.

Mrs. Taylor: I have already answered that question. All that the hon. Gentleman has done is diminish the time for the debate even further.

Mr. Vernon Coaker (Gedling): Will my right hon. Friend find time for a debate on animal welfare, following the RSPCA's recent report on the appalling increase in the number of animal cruelty cases? Many of those cases have occurred in my county of Nottinghamshire, which is one of the worst counties in the central region in that regard. The debate is made even more necessary by the failure of the Breeding and Sale of Dogs Bill, tabled by my hon. Friend the Member for Weaver Vale (Mr. Hall), which was blocked by an Opposition Member last Friday.

Mrs. Taylor: I know that there is concern about the blocking of private Members' Bills and the anonymous way in which it can be done. We support effective animal welfare legislation, and the courts have the power to take action against people who ill treat animals. The RSPCA report is extremely timely and I am glad that my hon. Friend has brought it to our attention, but I cannot promise him a debate in the near future.

Mr. Phil Willis (Harrogate and Knaresborough): I draw the Leader of the House's attention to early-day motion 1275.

[That this House notes with great concern the comments of the Chief Inspector of Schools who in a speech to the right wing think-tank Politeia claimed there was no evidence that schools are underfunded and further claimed that teachers were wasting too much time in meaningless activities; believes that local education authorities require significantly increased levels of capital and revenue resources to address the funding crisis in United Kingdom schools; and further believes that the Government should censure the Chief Inspector of Schools and ask him to consider his position.]

In view of the extraordinary statement by the chief inspector of schools, who said that our schools did not need any more money, but seemed only to need better management—a claim which was supported by the Secretary of State for Education and Employment—will the right hon. Lady confirm that it is now Government policy that our schools do not need any more money? In that case, will the Secretary of State come to the House and make a statement?

Mrs. Taylor: The comments of the chief inspector show that he does support the Government's strategy for raising standards in schools. He said that we were on the right track in increasing capital funding for schools and developing a fairer system of distribution. However,

he did make the point that the quality of teaching is paramount and we would all agree with that if every child is to be able to get a first-class education.

Mr. Bob Blizzard (Waveney): Can my right hon. Friend find time for a debate on Canada? One of my reasons for asking is that I noticed in the *Daily Mail* last Friday that the Conservative party was considering changing its name to the Progressives. Its counterpart in Canada is the Progressive Conservative party and, bearing it in mind that in the last election in Canada that party was reduced to holding three seats, might not such a debate help the Conservatives here in their deliberations?

Mrs. Taylor: I understand my hon. Friend's excellent suggestion, but I cannot find time for such a debate, especially next week.

Mr. Nigel Evans (Ribble Valley): Will the Leader of the House arrange an early debate on local government and local government funding, to give the Deputy Prime Minister an opportunity to come to the House to apologise to those who live in the Preston part of my constituency? Some of those people have had their wages increase by 2.5 per cent. and others have had their real wages decrease this year; at the same time, the council taxes imposed by the local authorities, both of which are Labour controlled, have gone up by 14 per cent. at a time when they are cutting back on services and threatening to take away concessionary bus passes from 16 to 18-year-olds in full-time education. Is not that a scandal and will not a full day's debate on the issues allow such scandals to be exposed?

Mrs. Taylor: That gives me the opportunity to remind the House that Labour councils charge the lowest council tax averaged by council. The average council tax in Labour authorities is £590, in Tory authorities it is £626 and under the Liberal Democrats it is higher still. It would be tempting to hold such a debate, but we have debated those matters in the past and I cannot find time to debate them again in the near future.

Mr. Keith Simpson (Mid-Norfolk): Many hon. Members will find it amazing that the right hon. Lady manages to give the impression that our being here asking her questions somehow damages a debate on EMU. That destroys the whole process of parliamentary democracy.

May I reinforce the urging of my right hon. Friend the shadow Leader of the House that we should have a debate on foreign policy as soon as possible? Not only are we waiting for a statement in the next two or three months on the strategic defence review, which is supposed to be foreign policy led, although we have no idea what the foreign policy baseline is, but we have been promised a debate on NATO enlargement, which is an issue of fundamental importance to the security of this country. May I urge the Leader of the House to ensure that the Foreign Secretary is able to come and give us a view on British foreign policy, instead of the bits and pieces we have heard over the past year?

Mrs. Taylor: I have already answered a question about foreign policy; I acknowledged it, but said that there cannot be a debate in the near future. On other occasions, I have said that we need to look at the issue of NATO enlargement. I am beginning to wonder whether Conservative Members want to discuss EMU today, or whether they all want to repeat the same questions in order to avoid that debate.

Mr. John Bercow (Buckingham): Given that the Prime Minister stated on 4 June 1997 that the criteria for monetary union should not be

"fiddled or botched in any way"—[*Official Report*, 4 June 1997; Vol. 295, c. 386;],

will the right hon. Lady find time for the Prime Minister to make a statement next week to explain why he has changed his mind? Why does he now believe that, to join the single currency, Britain should have to satisfy the Maastricht convergence criteria, but that other countries, which do not qualify, can fiddle, fudge and botch while he stands idly and impotently by?

Mrs. Taylor: I am amazed that the hon. Gentleman is wasting time in asking that we should have next week the debate that we shall move on to in a few minutes.

Mr. Adrian Sanders (Torbay): You are no doubt aware, Mr. Deputy Speaker—as all hon. Members should be—that bits of this country disappear into the sea every year as a result of coastal erosion. That is becoming the problem of the millennium, as local authorities, which have the job of protecting our coastline, find that there are not sufficient grants to do so. The Bellwin formula is the appropriate funding mechanism, but it makes funds available only for emergencies, such as the recent floods in the midlands, not for the on-going daily problems of coastal erosion. I have applied for an Adjournment debate many times, but does the right hon. Lady consider the matter sufficiently important to make time available for a full debate on the problems of coastal erosion throughout the United Kingdom?

Mrs. Taylor: The hon. Gentleman raises a serious issue which obviously concerns him. I am sorry that he has not been successful in securing an Adjournment debate. There are far more applications for Adjournment debates than Madam Speaker can grant, but I encourage him to keep on trying. In the meantime, I remind him that Department of the Environment Question Time is next Tuesday.

Mr. Andrew Robathan (Blaby): Will the right hon. Lady find time in the near future for a debate on the serious allegations about financial impropriety at the centre for the unemployed and in local government in Kettering? To assist such a debate, will she make public the findings of the inquiry into those allegations by the Labour party national executive committee?

Mrs. Taylor: No, Mr. Deputy Speaker.

Orders of the Day

Economic and Monetary Union

[Relevant documents: European Community Document No. 7424/97, and the Explanatory Memorandum on that document submitted by HM Treasury on 30th May 1997, on the Annual Report of the European Monetary Institute for 1996; Fifth Report from the Treasury Committee on the UK and Preparations for Stage Three of Economic and Monetary Union (HC 503-I, II and III).]

Mr. Deputy Speaker (Sir Alan Haselhurst): We must now move on to the main business of the day—the motion on economic and monetary union. I have to announce that Madam Speaker has selected the amendment in the name of the Leader of the Opposition. I must also announce that the 10-minutes rule will apply throughout the debate.

4.42 pm

The Chancellor of the Exchequer (Mr. Gordon Brown): I beg to move,

That this House takes note of European Community Documents Nos. 7161/98 and 7188/98 consisting of reports from the European Monetary Institute and European Commission in accordance with Article 109j of the Treaty.

Tomorrow, under the United Kingdom's chairmanship, European Finance Ministers will meet to complete their recommendations on monetary union. After the introduction of monetary union, the euro area will account for about 20 per cent. of the world's output—about the same as the United States. It will be one of the world's largest importers and exporters. It will take nearly 50 per cent. of British exports, absorb more than 40 per cent. of British overseas direct investment and contribute more than 30 per cent. of foreign investment in the United Kingdom. British jobs and growth, therefore, depend on Britain and the euro countries working well together—and that, in Britain's interest, we shall seek to achieve.

This debate, on the eve of the decision-making meetings, allows mé to bring the House up to date on the reports on economic and monetary union from the European Monetary Institute and from the European Commission, and on the timetable that follows. It allows me to inform the House of the decisions that member states propose to take, and of the new declaration on budget discipline, economic reform and employment that will be issued by Finance Ministers this weekend. It also gives me the opportunity to state the Government's position on all these matters.

I shall first explain the timetable that is being followed. Tomorrow night, the Economic and Finance Council will make its recommendation to Heads of Government on which member states fulfil the necessary conditions to join the single currency. On Saturday, the European Parliament will meet to consider the Council's recommendations. Heads of Government will then confirm which member states fulfil the necessary conditions—they will do so on the basis of a qualified majority vote. In the evening, a special meeting of Finance Ministers, with the central bank governors, will meet again and announce bilateral conversion rates for those currencies entering economic and monetary union.

Mr. Michael Fabricant (Lichfield): Will the right hon. Gentleman give way?

Mr. Brown: I shall make some progress, and then let the hon. Gentleman intervene.

Those decisions will mean that, when markets open on 1 January, exchange rates between joining currencies and the euro will be fixed. I remind the House that all those procedures were agreed in the Maastricht treaty, which was negotiated by the Government of which the right hon. Member for Hitchin and Harpenden (Mr. Lilley) and his Conservative colleagues were part. Whatever the views of hon. Members on both sides of the House, as so much of our trade will be in the euro area, it is in Britain's interests—and in British business interests—that the euro countries and Britain work together in future. That is why we have sought, under Britain's presidency of the Union, to ensure that the procedures are as orderly and smooth as possible.

Mr. William Cash (Stone): In a reply that the Prime Minister gave me yesterday, he clearly said that I should refer to the Chancellor of the Exchequer questions relating to political union that arise from EMU. Will the right hon. Gentleman explain why the Government believe that there are no constitutional implications or bar to economic and monetary union?

Mr. Brown: Every time the hon. Gentleman speaks, I have to thank him for his assistance—without his work, we would not have done so well at the general election. He should refer to the statement that I made to the House in October, when I set out both the constitutional issues and the economic arguments for joining.

Mr. Cash: No you did not.

Mr. Brown: If the hon. Gentleman would listen, he would perhaps learn something—he certainly has not been listening for the past few months. I told the House in October that, of course, the single currency raised constitutional issues and that, in any case when such decisions are made, there is a pooling of sovereignty. I also said, however, that we believed that the economic benefits of joining could outweigh those constitutional issues. I pointed out that the economic advantages of joining included the removal in the euro area of the cost of currency transactions, a reduction in speculation and a reduction, over time, in long-term interest rates as the single market worked more effectively.

The question that the Conservative party still has not answered is this: if the economic benefits of joining are proven, why do so many Conservative Members insist on our refusing to join even when joining is in the national economic interest?

As president of ECOFIN, we have now assembled the responses of member states to the two reports on EMU from the EMI and the Commission, as well as the response to the Commission's recommendations. On 27 March, the German Government stated their support for the recommendations, and last week they were supported by all the main political parties in both their Houses of Parliament. On 22 April, the French National Assembly approved by a substantial majority the French Government's position to support the Commission's recommendations on the 11. In turn, in recent weeks, Italy; the Netherlands, which had previously expressed some doubts about individual candidates; on 7 April, Ireland; then Belgium, Austria and Luxembourg, whose Parliament was unanimous, supported an EMU of the 11 recommended countries. Yesterday, the Finnish

Government confirmed their support. No member state, whatever the colour of its Government, has adopted a negative attitude to the Commission's recommendations.

Mr. Fabricant: I am grateful to the Chancellor for giving way, as he said he would. Is he aware that the Bundesbank board is meeting today to decide whether to make public its concerns about the expansion of the single currency? It is concerned that countries such as Belgium and Italy will fudge issues because of the state of their public finances. Has the board now met, and what was its public statement on the single currency?

Mr. Brown: The Bundesbank board met on 26 March, and it said:

"As the EMI report shows, far-reaching convergence has been achieved in the European Union concerning the price criterion at a gratifyingly low level . . . Considerable progress has been achieve towards convergence during the past few years . . . Bearing in mind the progress in convergence which has been achieved in many member states, and after giving due consideration to the remaining problems and risks, entry into monetary union from 1999 appears justifiable in stability policy terms."

I confirm that that was the opinion on 26 March. I do not believe that Mr. Hans Tietmeyer has changed his opinion over the course of a month.

Mr. Christopher Gill (Ludlow): Will the right hon. Gentleman give way?

Mr. Brown: I will give way once more, but it appears that I am giving information to Conservative Members that they should have found out for themselves.

Mr. Gill: These are serious matters, and some fateful decisions will be made this weekend. It is important to make those decisions on the basis of correct information. Is the right hon. Gentleman aware, for example, that the statistics on Italy produced by the International Monetary Fund qualify the accounts by saying that the data include the underground economy? Were the data not to include the underground economy—fraud and criminal activity—the public debt to gross domestic product ratio would be nearer 157 per cent. than the 121 per cent. on which we are currently working.

Mr. Brown: The Conservative party said that this weekend would never happen. Then it said that no country would ever reach the borrowing requirement figures. Then it said that it expected all sorts of countries to fall by the wayside. Now it says that Italy should not go ahead because it has a black economy—as do many other countries around the world. Measures are being taken in Italy and elsewhere to deal with that.

The hon. Gentleman would never have predicted what Italy has achieved in its inflation, in lowering public borrowing, in long-term interest rates and in long-term rate stability. Instead of raising one issue—the black economy—the hon. Gentleman should acknowledge that Italy has made substantial progress over recent years.

Several hon. Members *rose—*

Mr. Brown: I will give way once more, but then I must make progress.

Mr. Crispin Blunt (Reigate): During the past year, the right hon. Gentleman has made much of the state of Britain's public finances. As the position in Italy and Belgium is more than twice as bad as that in Britain, about which he constantly complains, how can he possibly think that Italy and Belgium will be suitable members of a single currency?

Mr. Brown: The hon. Gentleman gives me the opportunity to make an important point. When we came to power, last year's borrowing deficit was £23 billion. The Italian deficit this year is set to be 2.5 per cent. There is a legal requirement—*[Interruption.]* The hon. Gentleman asked about public borrowing and I am answering. In Italy, the deficit is 2.5 per cent. this year. Mr. Prodi, the Italian Prime Minister, has set a legal requirement for it to be 2 per cent. next year. On the debt:GDP ratio, the issue is not simply the level, but the direction—*[Interruption.]* Surely Conservative Members want accuracy on this matter. The treaty shows that it is a matter not only of the debt:GDP ratio but of the direction in which it is moving—

Mr. Blunt: Is it going down?

Mr. Brown: It is going down. It is set to fall by 4 per cent. over the next year. It has fallen over the past three years. Conservative Members should admit that I have the figures that they do not have.

Mr. Peter Lilley (Hitchin and Harpenden) *rose—*

Mr. Brown: I will give way to the right hon. Gentleman if he will clarify the Conservative party's position on this matter. Is it still the position that the Conservative party would not join a single currency for two Parliaments or for 10 years?

Mr. Lilley: I am grateful to the right hon. Gentleman for giving way; I will answer his question later.

Mr. Brown: Why not now?

Mr. Lilley: Because I am asking a question. The right hon. Gentleman surely realises that I will be called to speak later, if I am fortunate enough to catch your eye, Mr. Deputy Speaker.

The right hon. Gentleman was right to say that the treaty requires the Council of Ministers to make a judgment on whether Italy and other countries are approaching at a satisfactory pace the 60 per cent. reference level for debt. I want to know the Government's view on how many years those countries should be allowed to reach that 60 per cent. reference level. What would be considered satisfactory?

Mr. Brown: The right hon. Gentleman would not answer my question. It is about time that he clarified, for the country, the Conservative party's position. It has been clearly stated that the Conservative party wants to hold back monetary union for two Parliaments or 10 years.

As regards Italy, the right hon. Gentleman correctly pointed out that the treaty refers not only to the debt:GDP ratio at a particular point in time but to the sustainability of fiscal criteria and therefore the direction in which that ratio is moving. The Italian debt:GDP ratio has been falling for the past three years—contrary to what the

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hon. Member for Reigate (Mr. Blunt) suggested. It will fall again next year. The Italian Government have made a commitment that, over the next three years, it will fall by 12 per cent. The right hon. Member for Hitchin and Harpenden should take into account first, that Italian inflation is 1.8 per cent.; secondly, that public borrowing is 2.5 per cent.; thirdly, that Italy has met the necessary long-term interest rate criteria; fourthly, that Italy has met the exchange rate criteria; and, fifthly, that not only has Italy made a commitment significantly to reduce its debt:GDP ratio but, as I shall explain in a minute, Saturday's declaration of Ministers will lock countries into a course of fiscal rectitude that is absolutely essential for the future.

I will not take lectures from the Conservative party about fiddling the criteria. When we came to office, we found that the public spending figures had assumed a spend-to-save programme of billions of pounds of savings that did not exist. They had assumed privatisation sales that could never have happened because they had never been planned. They had assumed a trend growth rate that had not been reached over the cycle. The Conservative Government had continually changed the criteria on which they would judge themselves for fiscal rectitude—from a balanced budget to a near-to-balanced budget. We will take no lectures on fiscal rectitude from Conservative Members.

Mr. Lilley *rose—*

Mr. Brown: As I was saying—[HON. MEMBERS: "Give way."] I will give way to the right hon. Gentleman if he will answer my question. The country has a right to know whether it is still the Conservative party's position that it will not join a single currency for two Parliaments or 10 years. It is a very simple question requiring a very simple answer.

Mr. Lilley: I am afraid that I did not quite catch the Chancellor's answer to my question. He has to make a legally important decision tomorrow night on whether or not to lift the existing excess deficit procedure from Italy. He can do that only by making a judgment on how many years Italy should be allowed to fulfil the requirement that it should return to the 60 per cent. reference level in a satisfactory time. He must tell the House how many years he would consider satisfactory.

Mr. Brown: The right hon. Gentleman presents himself as some sort of lawyer interpreting—*[Interruption.]*

Mr. Deputy Speaker: Order. I am sorry to interrupt the Chancellor, but this is a serious debate which is not helped by barracking and shouting. It would be better conducted in a quieter mood.

Mr. Brown: It is not a requirement of the treaty to reach a particular level within a particular time. The requirement is that, if the debt:GDP ratio is not met at a particular point in time, the direction in which it is moving must be satisfactory.

Mr. Lilley: And the pace.

Mr. Brown: Yes, and the pace.

I have said that the Italian debt:GDP ratio has fallen for the last three years and it is falling now. It will fall again over the next few years. Conservative Members have tried to find some issue that might unite them on European policy. They criticise the Italians, but they should take a more sensible view and look at Italy's achievements on inflation, interest rates and the debt:GDP ratio. They should recognise that, under the Italian plan for next year, public borrowing will be far lower as a percentage of national income than was the case when we came to office in Britain and inherited a Conservative borrowing requirement of £23 billion.

We already know that, on Friday, member states intend to vote for monetary union to proceed.

Mr. Bernard Jenkin (North Essex) *rose—*

Mr. Brown: I will not give way again.

It is clear that member states intend to support the Commission's recommendations. Therefore, there will be 11 members of the new currency union. I should remind the House—Conservative Members might like to bear it in mind—that the vote will be taken on a qualified majority basis. The Maastricht treaty, negotiated by the previous Government, did not allow for a veto.

I shall deal now with the Government's position on those matters—*[Interruption.]* Mr. Deputy Speaker, Conservative Members seem to be very exercised by these issues. They should perhaps reflect on the fact that we are debating events over the next few days that will significantly affect Europe, and that their behaviour in this debate will be commented on across Europe. Nevertheless, they cannot bring themselves to admit that—despite all they said about countries that would never meet the terms on public borrowing, inflation and interest rates—those terms have been achieved by all the applying member states.

Mr. Jenkin: Will the right hon. Gentleman give way?

Mr. Brown: I will not give way again.

As for the Government's position, I should say immediately that—because of the importance that we attach to discipline, stability and economic reforms as preconditions for the high levels of growth and employment that Europe needs—we will work this weekend with our colleagues towards a new declaration, to be agreed by all Finance Ministers.

First, the declaration will not only re-emphasise the importance of fiscal discipline in the stability and growth pact—with its deficit requirements, penalties and multilateral surveillance—but will reinforce it with a new declaration that will advance implementation of the stability pact in the all-important transition stages to economic and monetary union, helping to lock in the achievements of recent years and to build on them for the future.

Secondly, this weekend's declaration will also go beyond the stability and growth pact, to emphasise the need for economic reform. As a result of a British initiative at York, economic reform is now established as the next big challenge facing Europe—including product market reform through effective competition policies, and vigorous pursuit of completion of the single market; capital market reform through measures to improve the

flow of investment funds to business—not least our proposals for reforming the venture capital industry; and labour market reform, including our proposals for employability and greater adaptability.

After the European Monetary Institute's report, which stated that structural policies were necessary in most countries, a new commitment to economic reform measures—to help the European economy work better, and to help economic and monetary union work more successfully—will be included in the new declaration.

Thirdly, the declaration that we will sign this weekend will reflect the importance that we attach to addressing the problem of unemployment if we are to make monetary union work more successfully. The declaration will therefore emphasise just how important it is to tackle unemployment not only by tax, social security and welfare reform but by measures for education and training, and the importance of ending social exclusion if we are to have both a successful single currency and a successful economy.

Mr. Andrew Tyrie (Chichester): Will the right hon. Gentleman give way?

Mr. Brown: I will not give way.

With the declaration, we are satisfied that we are making new and further progress in budget discipline and debt reduction, thus locking in greater stability; in employment, and therefore in the better functioning of the economies; and in economic reform.

The new declaration will form the background to the decisions we take tomorrow and on Saturday. I hope that hon. Members on both sides of the House will welcome the fact that that is happening.

Mr. Jenkin: Will the right hon. Gentleman give way?

Mr. Brown: I will not give way again.

I shall deal now with the detailed reports of the European Monetary Institute and the European Commission assessing the convergence criteria not only over one year but over a period of years. The reports have been laid before the House, with a detailed explanatory memorandum.

The European Monetary Institute report—which has been signed by all the central bank governors, including the Governor of the Bank of England—states that

"The individual criteria are interpreted and applied in a strict manner"

and concludes that

"major improvements in terms of convergence have been seen in the Union."

The report also states that

"Overall progress in reducing fiscal deficits and debt ratios has generally accelerated",

and notes the substantial progress that has been made to reduce inflation.

In highlighting that progress, the Commission's report concludes and recommends that 11 member states have a sufficient degree of sustainable convergence to qualify them to join the single currency on 1 January 1999.

The reports have to assess the progress made by member states on two matters. The first is legal convergence: whether national legislation, including the statutes of national central banks, is compatible with the treaty's legal obligations and the statute of the European system of central banks.

As the EMI report makes it clear, all candidates for economic and monetary union have made the changes—or are in advanced stages of introducing them, and therefore will have met them by the required date of 1 July—necessary to ensure that national legislation is thus compatible with the treaty and with the statute of the European system of central banks.

The second assessment is on economic convergence—on whether applying states have achieved a high degree of sustainable convergence by reference to the treaty's four criteria, which are achievement of a high degree of price stability, exchange rate stability, convergence of long-term interest rates and sustainability of the financial position.

On inflation, all candidates for the single currency had inflation below the reference value of 2.7 per cent. The European Monetary Institute concludes that all those countries' inflation performance has been consistent with price stability—which I hope Conservative Members will welcome—reflecting reductions in inflation achieved over a number of years. Average European Union inflation has thus fallen from almost 6 per cent., in 1991, to just over 2 per cent. last year.

On exchange rates, all the candidates have achieved a high degree of exchange rate stability, which has in recent years been supported by reductions in inflation and in fiscal deficits.

On long-term interest rates, all the candidates had interest rates below the reference value for the required period.

The final treaty criterion is sustainability of public finances. As both the Commission and the EMI reports demonstrate, European countries have already made considerable progress in controlling their budget deficits. The average deficit has been reduced from a peak of more than 6 per cent. of national income, in 1993, to 2.4 per cent. last year.

On sustainability of the fiscal position, I repeat that those countries with high debt ratios have already taken substantial action in recent years to reduce deficits. Those countries have primary surpluses, which means that their debts have been and continue to be on a downward path. They have now made significant commitments to reducing deficits further, thus keeping debt on a downward trend. One purpose of this weekend's declaration, which I have described to the House, is to ensure that those trends are maintained and locked in.

The EMI report confirms that the United Kingdom is itself on course to comply with the medium-term objectives of the stability and growth pact, and notes that our fiscal position on deficits and on debt meets the Maastricht criteria.

Mr. Tyrie: Will the right hon. Gentleman give way?

Mr. Brown: As I have already said, I will not give way.

Taking into account the progress that has been made towards economic convergence on the basis of the treaty criteria, the framework for fiscal discipline provided by the stability and growth pact, the special commitments that have now been made by high-debt countries to reduce their

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debt ratios, and the new declaration to be issued this weekend—which will affirm commitments to fiscal discipline, economic reform and employment—the Government will endorse the recommendation that 11 countries should join the single currency on 1 January 1999.

Several hon. Members *rose—*

Mr. Brown: I shall give way once more, to the hon. Member for Esher and Walton (Mr. Taylor).

Mr. Ian Taylor (Wesher and Walton): The Opposition's concern about whether the 11 countries forming the first group have met the criteria is based largely on our desire to ensure that the single currency is a success. Given that we will not be part of the Euro X committee, and the fact that the Chancellor—although he will be president this weekend—will not subsequently have the same influence, how will we be able, in the British national interest, to maintain our influence on the operation of the currency in future, to ensure that it is successful? Its success is so important not only to the European economy but to the British economy.

Mr. Brown: I am grateful to the hon. Gentleman, who had the courage to stay with the policy pursued by the Conservatives in the previous Parliament. He resigned from the Opposition Front Bench when he realised that that policy was changing because of a leadership change. He suggested that we will have a loss of influence because we do not belong to the Euro X committee, but the United Kingdom will be present in all Euro X committee meetings dealing with matters affecting all 15 European Union countries. We secured that agreement at Luxembourg, and that agreement will be followed through. I hope that I have been able to reassure the hon. Gentleman on that point. It is vital that we make the necessary preparations outlined in our statement in October.

I want to reaffirm to the House Britain's position on economic and monetary union. The Government are committed to the principle of joining the single currency, making a proper and balanced assessment of the economic benefits of joining, judging—as our economic tests do—not just the advantages and disadvantages of being in, but the costs and benefits of staying out and making the necessary preparation to join.

It is the Government's judgment that, after a period of preparation, which should also be a period of stability without endless destabilising speculation, we should be in a position to make a decision early in the next Parliament and, if we were to recommend it, the British people would make the final decision in a referendum.

That was the position that we set out in October and we will not be diverted from it, either by those who want to join early, regardless of the economic interest, or by those who never want to join even if it proves to be in the national economic interest to do so.

We reject the Opposition's view that we should not enter a single currency for 10 years or two Parliaments. I am pleased to see that the shadow Chancellor does not feel it necessary to deny that.

In or out of the euro, preparing for its introduction is of vital importance and we shall be prepared. The Government are working closely with all business to ensure that when the euro arrives in Europe on 1 January 1999, British businesses benefit from it.

I can say today that, from 1999, businesses will be able to use the euro in the United Kingdom for a wide range of activities from filing company accounts to paying taxes and issuing shares. From 1999, the United Kingdom banking system will have the capability to process payments in Europe for local and national businesses as well as for the international financial market. The Bank of England is leading euro preparations in the City of London.

I am pleased that the Select Committee, to which I shall reply soon, supported the need for detailed and full preparations if we are to join and supported our proposal for a national changeover plan. We are committed to producing an outline of the national changeover plan in the coming year. Inside or outside the euro zone, British economic policies will continue being right for business and I am determined to ensure that Britain will be the best place in Europe from which to develop new business opportunities after 1999.

The Government's constructive approach to Europe has brought to an end years of British isolation in Europe and years of ideological division at home over Europe during which Britain lacked either a consensus on Europe or a clear national economic purpose. Our position, which is right for business and supported by business, is the best for jobs and growth. It is best for Britain now and in the future and I commend it to the House.

5.12 pm

Mr. Peter Lilley (Hitchin and Harpenden): I beg to move, as an amendment to the motion, at end add:

'but regrets the Government's failure to deliver on the Prime Minister's pledge to the House on 4th June 1997 that "the criteria for monetary union should not be fiddled, fudged or botched in any way", and also the Government's failure during the British Presidency of the European Union to press for a strict interpretation of the Treaty requirements governing the eligibility of member states to join a single European currency, with consequential damage to British manufacturing industry through the perceived weakness of the euro and the resulting strength of sterling.'.

This weekend, European Governments will be making decisions that will have momentous consequences for the countries that may join the euro and for the United Kingdom. I shall make a case which I shall state very succinctly at the outset. First, I shall argue that

"it would clearly be in the UK's interests, even if it does not join, to ensure that the choice of participants and any compromise reached on the Presidency of the European Central Bank are credible and consistent with the treaty's requirements".

Those are the words of the Select Committee, and I whole-heartedly endorse them.

Secondly, I shall argue that

"it is our duty, as President of the European Union, to ensure that the criteria are properly obeyed".

Mr. Gordon Brown: As the right hon. Gentleman is making statements of principle, will he clarify the position of the Conservative party on the single currency? Is it that it will not join for two Parliaments or 10 years? Will he

rescind the statement that he made yesterday to Mr. Naughtie on the "Today" programme that that has never been the Conservative party's position?

Mr. Lilley: The words that I just uttered were those of the Prime Minister, which is perhaps why the Chancellor wanted to avoid them. I agree with the Prime Minister that, during Britain's presidency, the Government should use their influence to ensure that the criteria are properly obeyed.

Mr. Brown: Will the right hon. Gentleman answer the question?

Mr. Lilley: I shall answer the Chancellor's question in a moment.

Thirdly, I shall argue that the Bundesbank is right to say that

"additional firm and substantive commitments"

are needed to ensure that Italy and Belgium achieve sustainable convergence and that the Government should argue, negotiate and, if need be, vote to achieve that end.

The Chancellor wants to know our position on Europe. It is very clear. We believe that we should keep the pound in the next Parliament, because the structure and cycle of the British economy differ from those on the continent. Unless and until we have American-style labour mobility, wage flexibility and transfer of resources between states, a one-interest-rate-fits-all monetary policy would be damaging to Britain.

Mr. Barry Gardiner (Brent, North): Will the right hon. Gentleman give way?

Mr. Lilley: No. I am still answering the Chancellor's point.

The Treasury Select Committee concluded that, even if the circumstances were to change, it would take at least five years and probably a whole business cycle to determine that. Therefore, it would be absurd to try to pretend that the criteria laid down by the Chancellor could be met, and could be seen to have been met, before the end of the next Parliament. That is why we believe that it is right to keep the pound and that is the logic of the Chancellor's position.

Mr. Charles Clarke (Norwich, South): Does the right hon. Gentleman accept that the logic of the position that he has just explained is that, in the next 10 years, there are no circumstances or developments in the relationship between the euro and Britain under which the people of Britain might have the chance to express their judgment and assessment of the issues and weigh up the debate? He has said that there will be no circumstances in which the British people will be able to decide.

Mr. Lilley: If that is the hon. Gentleman's view of the logic of my position, he is, in effect, saying that it is the logic of the Treasury Select Committee and the Chancellor.

Mr. Gordon Brown: May we have a straight answer?

Mr. Lilley: The Chancellor has had a straight answer. He refused to give me a straight answer to my question.

Mr. Brown: Will the right hon. Gentleman confirm that the position of the Conservative party is not as he set out yesterday on the "Today" programme, when he said to Mr. Jim Naughtie:

"10 years is a number picked from the air by you"?

Will he confirm that the real position is the one that he stated on 5 October and referred to two Parliaments or 10 years? Will he confirm that that is the true position of the Conservative party and will he apologise for getting it wrong yesterday?

Mr. Lilley: The two Parliaments, or essentially the next Parliament, is the commitment that we have made, for the reasons that I spelled out. That is a sensible policy. The right hon. Gentleman's own policy is incompatible—

Mr. Derek Twigg (Halton): Will the right hon. Gentleman give way?

Mr. Lilley: No. I must get on and address the issues involved in the debate.

There are very good reasons for countries that are not in the European currency to be concerned about the decisions that are being taken this weekend. Decisions about the terms on which members join the euro, who joins and who runs the European central bank are important for Europe and for Britain.

Mr. Twigg: Will the right hon. Gentleman give way on that point?

Mr. Lilley: No. I have not yet completed my point, so the hon. Gentleman does not know yet what it is.

A soft euro would push the pound even higher, hitting exporters even harder and driving manufacturing into recession. In the long run, an unstable euro—or worse still, a failed euro, would not just be a disaster for member countries; Britain too would be hit by the wash. There are very good reasons for being concerned about the euro even though Britain remains outside, as it will have indirect effects on us.

The Chancellor wants to bounce us into a single currency soon after the next election, if he gets the opportunity. A weak and unstable euro would then affect us directly, so he should be even more concerned than we are by the failure to apply the convergence criteria strictly. If he is serious about British entry into economic and monetary union, he is being quite extraordinarily irresponsible in taking such a relaxed view about the application of the criteria.

Mr. Gardiner: Will the right hon. Gentleman give way?

Mr. Lilley: No. I should like to make some further progress.

Launching the euro is a bold and perilous venture. Virtually everyone has agreed that the less strictly the Maastricht convergence criteria are applied, the greater the risk that the venture will fail. Those criteria were included in the Maastricht treaty precisely to ensure that the euro would be strong and stable. The Government have repeatedly stated that they too believe that the criteria should be rigorously applied.

[Mr. Lilley]

Last July, the Chancellor told the Royal Institute of International Affairs:

"there should be no fudging of the Maastricht treaty conditions."

On that, at least, the Chancellor and the Prime Minister see eye to eye. The Prime Minister told the House:

"the criteria for monetary union should not be fiddled, fudged or botched in any way. If they are, the answer is not to delay—the answer is not to proceed."—[*Official Report*, 4 June 1997; Vol. 295, c. 386.]

Even the Foreign Secretary has taken time off from winning friends and influencing people around the world to weigh in against fudging. He said:

"we have no intention of signing up if our final conclusion is that the criteria have been fudged."—[*Official Report*, 9 June 1997; Vol. 295, c. 803.]

We have a right to expect that the Government mean what they say, but we now know that those words were for home consumption. Words may be cheap for the Chancellor, but he is playing fast and loose with British jobs and businesses. Hard-working people are paying the price of his broken pledges. On this most important issue he has let down the British people.

Mr. Gardiner: While the right hon. Gentleman is talking about cheap words, I remind him of his own words of 8 May 1997, when he said that he thought there was

"no point in making theological decisions about subsequent Parliaments".

Does he recall those words and, almost a year to the day later, has he suddenly converted to a different way of theological thinking?

Mr. Lilley: The hon. Gentleman should get his quotations first hand, not from Walworth road. He would then realise that I was asked about the Parliament after next. Of course it is sensible for us to have a view about the next general election; we will have to have such a view in our next manifesto. However, I did not think that it was worth while committing myself, theologically or otherwise, to a view about the election after next.

Mr. Charles Clarke: Will the right hon. Gentleman give way?

Mr. Lilley: No, I will not. The hon. Gentleman has already had one go.

Britain holds the presidency of the European Union. It is the Government's duty to ensure that the criteria are properly obeyed, yet they are doing nothing and have done nothing during the past four months. They have not uttered a single word of criticism about the Commission's recommendations that all 11 applicants now meet all the criteria.

The Commission and the European Monetary Institute reports show that only four of the 15 members of the European Community have passed all the tests and met the strict reference levels in the treaty. Two of those four are Denmark and Britain, which are not even applying to join the single currency. The report shows also that two member states—Belgium and Italy—had levels of debt twice as high as those permitted by the Maastricht treaty. It shows that two countries, including Italy, have not been members of the exchange rate mechanism for the full two years required by the treaty.

The report shows also that some countries have needed temporary and spurious devices to get their deficits below the ceiling. The Bundesbank spelled out in its parallel report that

"the deficit ratio of many member states in 1997 was influenced by measures with a temporary effect. These measures were on such a scale in Italy, for example, at 1 per cent. of GDP that they were instrumental in enabling it to meet the reference value of 3 per cent. of GDP."

It would be interesting to hear from the Chancellor whether he thinks that a strict application of the rules would allow Italy to get away with raising a euro-tax and promising to give back 70 per cent. of the proceeds in subsequent years without taking account of that in the figures that it presented to the Commission. We might all like taxes that would end after a few years, but that does not seem to me to be a very strict application of the rules.

The Government and the Chancellor have put forward a range of excuses for abandoning their pledge to insist on strict application of the criteria. Their first response was to deny that any real fudging is going on. The Chancellor claimed today that even countries such as Italy and Belgium come within the letter of the rules. There is a get-out clause for countries whose debt exceeds 60 per cent. of gross domestic product if, in the words of the treaty, the ratio is

"approaching the reference value at a satisfactory pace."

Every country signed up to the 60 per cent. target in 1991—seven years ago. Since then, Italy's debt has not decreased; it has increased from 101 per cent. in 1991 to 122 per cent. In the three recent years, to which the Chancellor referred, in which it has declined from its peak, it has done so at an average rate of only 1 per cent. a year. At that rate, it will take six decades to reach the reference level. Is the Chancellor saying that approaching the reference level at a satisfactory pace means allowing Italy 60 years to do so?

The good news is that the Italian Government have promised the Commission that they will reduce the ratio in future at a rate of 3 per cent. a year. They will need to achieve that rate year in, year out, without fail, for the next 20 years to reach the 60 per cent. reference level. Does the Chancellor consider that Italy is approaching the reference level at a satisfactory pace?

Mr. Gordon Brown: Having said that Britain should not join monetary union, the shadow Chancellor now wants no other country to join. He is trying to construct a case for monetary union not to go ahead among 11 countries based on the debt to GDP ratio in Italy. I have pointed out to him—[Hon. Members: "What about Italy?"] Conservative Members should listen to these facts. First, inflation in Italy is 1.8 per cent., so it has met the criteria that many Conservative Members said that it would never meet. Secondly, long-term interest rates in Italy are now 5.2 per cent., so they have substantially decreased. Thirdly, the public sector borrowing requirement—the Government's financial position—is 2.5 per cent., and the Italian Prime Minister has promised me that it will fall to 2 per cent. Fourthly, the Maastricht

criterion was not that debt should be 60 per cent. of GDP, but that it should be 60 per cent. or satisfactorily diminishing.

Mr. Shaun Woodward (Witney): On a point of order, Mr. Deputy Speaker. As a new Member of the House, may I ask whether the Chancellor's remarks constitute an intervention?

Mr. Deputy Speaker: I advise the hon. Gentleman, as a new Member of the House, that that is not a point of order.

Mr. Brown: The right hon. Member for Hitchin and Harpenden (Mr. Lilley) should realise that, because the primary surplus in Italy is 6 per cent., there is a current account surplus and the savings ratio is 15 per cent., debt will not be accumulated over the next few years; it is falling by 3 per cent. a year. The Italian Prime Minister has said that debt will fall by 12 per cent. over the next three years.

Conservative Members should consider another point: the European Parliament today voted on the Commission's recommendations and the British Conservative group refused to support the shadow Chancellor's view.

Mr. Lilley: It is my understanding that the British Conservatives abstained. One always knows when the Chancellor is in trouble because he goes into auto-rant mode for so long that he hopes that people will have forgotten the issue that he was supposed to be addressing. He has revealed that he still does not have a view on how much time Italy should be allowed to return to the 60 per cent. level. I do not mind what his view is, but he is a member of the Government and he will have to make a decision on that matter tomorrow evening. He should tell the House his position. Twenty years seems a long time for Italy to fulfil that criterion. I know that the Chancellor claims to be a long-termist, but that is carrying long-termism to extremes.

Mr. Blunt: Does my right hon. Friend agree that what distinguishes debt from inflation and the PSBR is that inflation and PSBR figures can change substantially from one year to the next, but it takes a long time to deal with a huge public sector debt?

Mr. Lilley: My hon. Friend is absolutely right and much more to the point than the Chancellor could ever be.

The Chancellor's next line of defence is to pretend that all the reports that have been published, including that of the European Monetary Institute—on Thursday, the Chancellor even claimed the same of the Bundesbank report—entirely endorse, without qualification, the entry into the euro of all 11 countries. That is not so. The EMI document is fundamentally factual and does not have to express a detailed affirmation of each country's overall standing.

Mr. Gordon Brown: I did not say that the report endorsed entry of all 11 countries.

Mr. Lilley: The Chancellor is backing off; he is saying that he did not say such a thing.

Mr. Brown *rose—*

Mr. Deputy Speaker: Order. Both right hon. Gentlemen must sit down if I am on my feet. If the Chancellor is to make sedentary comments, he cannot necessarily count on them not being challenged by the right hon. Member for Hitchin and Harpenden (Mr. Lilley). Is the shadow Chancellor giving way?

Mr. Lilley: No, I am not, for the simple reason that the Chancellor spoke for the equivalent of four interventions in his last one.

The European Monetary Institute expresses views on the sustainability of the debt position of each member state. This is what it says of Greece, which has been prevented from joining because it fails, among other things, the debt criteria. It has debt of 108 per cent. of its GDP. The report says:

"Notwithstanding the efforts and the substantial progress made towards improving the current fiscal situation, there must be an ongoing concern as to whether the ratio of Government debt to GDP will"—

then it quotes the treaty—

"'be sufficiently diminishing and approaching the reference value at a satisfactory pace,' and whether sustainability of the fiscal position has been achieved."

That is fair enough; that is a clear rejection of the Greek position. The report uses exactly the same words for Italy; exactly the same words describe the Italian situation. The Chancellor cannot claim that the report endorses the countries that he wishes to enter without further change and fail to acknowledge that the report condemns them in the terms that it condemns Greece.

The next line of defence to which the Government resort is to acknowledge that some of the criteria may have been fudged but to claim, as the Prime Minister did at the Dispatch Box the other day, that there is "a range of criteria", with the implication that it is all right to fail one or two as long as all the others are met. The European Monetary Institute does not accept that view. Its report says:

"the convergence criteria constitute a coherent and integrated package and they must all be satisfied; the treaty lists the criteria on an equal footing and does not suggest a hierarchy".

Dr. Stephen Ladyman (South Thanet): Will the right hon. Gentleman give way?

Mr. Lilley: No, I will not.

The criteria are being loosely applied, particularly to Belgium and Italy. That will weaken the euro. The Chancellor can argue until he is blue in the face that that is not so, but the foreign exchange markets give him the lie. They do not agree with him. They believe that a fudged euro will be a soft euro, and the euro will be fudged. That is why they have devalued all 11 currencies that are set to join the euro against those that are staying outside it. If the Chancellor does not believe that that is the reason for the moves on the foreign exchange markets, he should explain to the House what is.

Mr. Bill Rammell (Harlow): Will the right hon. Gentleman give way?

Mr. Lilley: I am afraid that I do not have time to give way to the hon. Gentleman in view of Madam Speaker's request that we try not to go on too long.

The Government's final line of defence is to admit that there might be fudging but to say, "Well, we shouldn't do anything about it because we wouldn't achieve very much

[Mr. Lilley]

and we would make ourselves unpopular." That is what the Prime Minister said at the Dispatch Box on 1 April. That is an abnegation of leadership; it is an admission that the Government have no influence.

Others in Europe have not been so spineless. The French Interior Minister, Jean-Pierre Chevènement, recently warned that a fudged euro would be like the Titanic

"sailing full steam ahead towards the pack ice. By the time we see the iceberg, perhaps it will be too late."

That is from a member of a Government who are applying to join the institution.

The Bundesbank qualified its reluctant agreement to German membership with a warning that Belgium and Italy need to do more to meet the criteria. It said:

"with regard to the requirement of a sustainable financial position, however, serious concern exists in the case of Belgium and Italy. This could be eliminated if additional, firm, substantive commitments are given."

Mr. Waigel, the German Finance Minister, has recently been touring European capitals, trying to persuade member states to sign up to a declaration committing themselves to accelerated debt reduction. The Chancellor revealed that that has finally come to fruition—although he has not put the matter before the House or respected the House by telling us what document he is to sign. Will he confirm that the document has been watered down in three successive drafts, no longer includes any timetable for Italy and Belgium to reduce their debt ratios and is not nearly as strong as the author himself would have liked?

The British Government hold the presidency. The British Government should be taking the lead in these matters, not leaving it to France and Germany. The British Government should have been seeking additional, firm, substantive commitments to a timetable of debt reduction. After all, this is the Government who told us that they would take the lead in Europe. This is the Government who told us that they had won influence by signing up to the social chapter and committing Britain to the euro in principle. The sad truth is that they have got nothing in return for those concessions.

As this week's edition of *The Economist* says:

"Ecofin, the council of Finance Ministers, that the Chancellor chairs, has lately been the EU's most influential body. But Mr. Brown himself is one of its least influential members."

The Government have won no influence for their concessions. Apparently, according again to *The Economist*, the only concession that the Chancellor has got out of his French opposite number is a free ticket to the World cup.

Our Prime Minister claims that he is still taking the lead in Europe, but he does not tell his friends in Europe what he told the British people in his party's manifesto which was issued for the general election.

Mr. Derek Twigg: On that very point, will the right hon. Gentleman give way?

Mr. Lilley: I shall remind the hon. Gentleman that, in the manifesto on which the Prime Minister and he were elected, the Labour party said:

"What is essential for the success of EMU is genuine convergence among the economies that take part, without any fudging of the rules."

Why is the Prime Minister not prepared to say the same thing to our partners in Europe? Apparently, despite his well-known linguistic skills, translating those words into French seems to have been beyond him. He yields to the views of his partners; he has found that he can only pretend to lead if he agrees to follow. His idea of leadership is the same as the Duke of Plaza Toro, who led his army from behind because he found it so much safer. In the end, Britain will gain influence in Europe only if we have the courage of our convictions, if we put forward a clear, coherent and consistent view. That may make us unpopular in the short term, but it will win us respect in the longer run.

Almost as important as the convergence criteria is the decision on who should be president of the European central bank. It was rather extraordinary that the Chancellor did not address that today. Unlike our Prime Minister, the French leader has no qualms about being isolated in Europe. The French do not mind being awkward and making themselves unpopular in the pursuit of French objectives. Although all the other member states agreed that Mr. Duisenberg should be president of the European central bank, the French have insisted on reopening the question. They have dug their heels in and demanded that their candidate, Mr. Trichet, should at least share the eight-year term with Mr. Duisenberg. But the Maastricht treaty is quite unambiguous; the chairman's term is set at eight years. That is to give him the necessary independence. To split the term in two would betray the intentions of that treaty.

To follow a political fudge on membership criteria with another political fudge on how the bank is run would further undermine confidence in the euro. As president of the EU, the British Government should have ensured that the issue was resolved before now. Above all, they must now prevent a damaging compromise from occurring which betrays the treaty.

The Government's failure to take a firm stand on these issues has done great damage. It has undermined confidence in the 11 countries set to join the euro, devaluing their currencies against the pound—which has contributed to the artificial over-valuation of the pound, which has undermined our exports and pushed manufacturing further into recession. The Government may deny that this is happening, but I was in the midlands yesterday, speaking to business men. They had no doubts that manufacturing is already in recession. That may not concern the Government, who do not care a fig about business and jobs, but manufacturers know that the high pound is a key factor. The bottom line is that more and more jobs will be lost in manufacturing as the months go by.

Those business men and their employees will want to know why the Government are doing nothing to tackle the problem. What is at stake is not just the economic damage in the short term, or even the dangers of an unstable euro in the long run; it is the integrity of the treaty. It is crucial that treaties, once signed, are adhered to—that member states adhere to the spirit, as well as to

the letter, of the law. This country will rue the day it ever allows political expediency to override clear treaty commitments.

At the end of the day, it was probably never realistic to expect the Government to take a stand against fudging. After all, the Government are based on fudge. They try to be all things to all people. They pretend that they can stick to our spending limits, yet still spend more on everything. They promise not to raise taxes, and then sneak them in by stealth. They said that they were in favour of joining the euro in principle, but then ruled it out for this Parliament in practice. Above all, they cannot oppose fudging the Maastricht test because they want to fudge their own tests later. That is why I ask the House to support our amendment.

Mr. Deputy Speaker: Before I call the next speaker, I remind the House that the 10-minutes rule will now apply, and that constraint within that will be for the consideration of other hon. Members.

5.42 pm

Mr. Giles Radice (North Durham): I shall be speaking primarily as the Chairman of the Treasury Select Committee, which published a report "The UK and Preparations for Stage Three of Economic and Monetary Union", but I have my own views as chairman of another group, the European Movement. The Select Committee has differing views represented on it, from supporters of early entry, such as myself, to those in implacable opposition such as the hon. Member for Rochford and Southend, East (Sir T. Taylor).

On the Select Committee, there is a substantial majority in favour of British membership of EMU but there is a significant minority against. Therefore, in the report there is no discussion of the pros and cons of entry; otherwise, we would have merely produced a majority-minority report. There is no discussion of timing; contrary to the speculative accounts which appeared before the report was published, and contrary to what the right hon. Member for Hitchin and Harpenden (Mr. Lilley) has just said. I advise the right hon. Gentleman to actually read the report.

The context of our report is that a big decision will be made this weekend on participation, as my right hon. Friend the Chancellor said. Bilateral conversion rates will be decided and the president of the European central bank selected, which makes it the virtual start of the third stage of the single currency—although it formally begins on 1 January. I agree with my right hon. Friend that substantial progress has been made in achieving the Maastricht criteria by all those who want to participate, as the Governor of the Bank of England told us. That confounds what the pundits said 15 months ago.

The figures are now very good. Average inflation across the EU is 1.6 per cent. Average long-term rates are 6.1 per cent. The average budget deficit is 2.4 per cent. This is enormous progress, about which we heard nothing from the right hon. Member for Hitchin and Harpenden. Of course there are weaknesses also, such as debt.

Sir Teddy Taylor (Rochford and Southend, East): What about unemployment?

Mr. Radice: The hon. Gentleman will have to make his own speech.

The deficit improvement will have to be sustained. Even so, overall progress has been so impressive that it is not surprising that the Commission will be recommending that the 11 members go ahead with the third stage. This weekend, the Heads of Government will almost certainly agree unanimously—in my view, they are right—that the 11 members should go ahead. The United Kingdom should support that decision—we are, after all, in the role of chair. As a non-participating member, it is inconceivable that we should stop a unanimous view by all other member states. Only non-serious politicians in opposition would suggest otherwise.

Whether in or out, the euro will have a significant impact on our economy, and we note that. In the report, the best section is the part on preparation. There is strong support for the Government's policy on preparing the UK to deal with the coming of the euro, even while we are staying out. There is likely to be widespread use of the euro, not just in the City and the wholesale financial markets but in business as a whole—especially in the trading sector.

Pilkington told us that it was converting its systems to use the euro because it will help eliminate differences in production costs. ICI told us that euro-liquidity will spread throughout the economy. Siemens told us that the euro would come through the back door. Siemens and British Steel said that they were anxious for UK suppliers to use the euro. Sainsbury and Marks and Spencer will accept euros from 2002. Substantial change will come about, and we ought to realise that. In the report, we backed the idea of a national changeover plan from sterling to euros so that we can proceed more quickly and efficiently once the decision is taken for the UK to join. It would be a guide for businesses now if they knew what was likely to happen later.

I move now to the Chancellor's five economic tests. We have qualified already on all the main Maastricht convergence criteria; except the one on the exchange rate, because we have not joined the exchange rate. In his historic statement last October, the Chancellor announced some useful additional criteria for judging if and when Britain should join. He mentioned, in particular, sustainable convergence and flexibility, which the Committee agreed were very important. We should take them into account if Britain is to derive maximum benefit from membership. However, tests are only guides. When we decide to enter, a broader assessment will be required. In particular, we will need a comparative analysis of the costs and benefits not only of participation, but of staying out. That includes political, as well as economic, costs and benefits.

The UK's decision will be made on the basis of a political and economic assessment of the balance of national advantage, which will include the Chancellor's five important tests. However, it will be broader than that. One sentence of the report has been wrenched out of context. We said that it will not be possible

"to judge clearly and unambiguously either the success of EMU or answers to all of the Chancellor's five tests for at least five years. It will remain the case that the UK's decision will have to be made on political and economic assessment of the balance of national advantage."

It is always better to read the sentence after the one that has been quoted.

In a sense, we are stating the obvious. In hindsight, it might have been more helpful if we had used the words "for some time" rather than the words "five years".

[Mr. Radice]

although five years from this weekend, which is virtually the start of a single currency, is compatible with the Government's intention to be in a position to join early in the next Parliament. We did not make a judgment about the time of entry; we specifically decided not to take in the issues of principle, otherwise most of us would have said, "We want to join early," and the hon. Member for Rochford and Southend, East would have written a minority report saying that he would never want to join. We did not say that, but we are saying that there are no scientific certainties, either about the success of EMU or about the Chancellor's five tests.

Our position will have to be taken on a broad judgment about political and economic advantage for this country. It is my view and the view of many members of the Committee that we shall have to go in sooner rather than later, perhaps sooner than under the Government's current timetable. I predict that, from this weekend, events will move much faster than most people think, and certainly faster than the right hon. Member for Hitchin and Harpenden thinks.

Pressures for us to join will build up, especially from business and particularly from those involved in finance and trade, which will increasingly deal in euros. There will be a big incentive to go the whole hog. Exchange rate instability for the pound may arise from the euro, which will be a handicap for British business and for the economy, and British business may miss the opportunities of a single market backed by a single currency.

Last but not least are the political consequences of exclusion from EMU and the Euro X problem. The Labour Government have made a good start on their European policy and I agree with their ambition to play a leadership role in Europe, but that will be more difficult if we exclude ourselves, at least for the time being, from Europe's most important project, which will inevitably develop. I agree with my hon. Friend the Member for Hackney, South and Shoreditch (Mr. Sedgemore), who described economic and monetary union as the most positive political and economic development this century.

There will be a broad national and economic interest for us to join as soon as we possibly can. The Government should speed up preparations to join, including informing the British public about EMU and the advantages of joining sooner rather than later. The British people will decide on this momentous question, but we as politicians would fail in our duty if, by putting off the decision for too long, we disadvantaged our citizens and our country.

Mr. Deputy Speaker: Mr. Taylor.

Sir Teddy Taylor *rose—*

Mr. Deputy Speaker: Order. I called Mr. Ian Taylor.

5.52 pm

Mr. Ian Taylor (Esher and Walton): My hon. Friend the Member for Rochford and Southend, East (Sir T. Taylor) and I are almost identical, not only in our surnames. Therefore, there was a natural misunderstanding.

This is a brief, but crucial debate. I shall make a few remarks, and I hope that I do not repeat those made by the hon. Member for North Durham (Mr. Radice), the Chairman of the Treasury Committee, with which I broadly agree.

I can endorse the amendment tabled by my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley), the shadow Chancellor, because, going into this weekend, it is vital that we understand the tensions for those countries that have not absolutely met the Maastricht convergence criteria, which are extremely sound Conservative economic principles that were rightly written into the Maastricht treaty. It is important to understand why such countries might not have conformed absolutely with the criteria, not to frustrate the whole exercise—I am sure that Conservative Members do not want to do that—but to ensure that the venture is a success.

I agree with my right hon. Friend the Member for Hitchin and Harpenden, who said recently on the "Today" programme that it is not in the British national interest for the euro to fail. I would go further, and say that it is in the British national interest for it to succeed. If it were to succeed, it is logically in the British national interest that we join. If it is the British national interest that we join, we should join—the sooner the better.

The Chancellor could and should make the situation clearer from the British point of view. If he had clarified the timetable and made more precise the plan which would have enabled this country to meet not only the absolute convergence criteria, but the running together of economic cycles, his Budget statement would have given a signal to the Bank of England Monetary Policy Committee, which would probably have taken off the pound some of the pressure that it has been under since he sat down at the end of his Budget statement. Such clarification would also have suggested that Government policy during the rest of this Parliament, at least on the evidence that he has given, is not to join the euro, but to prepare to join. That would have had consequences for the running of the economy in terms of a fiscal balance and a monetary policy that would lead to a further reduction in our long-term interest rates to approximately those on the continent.

Our long-term interest rates have fallen to about 6 per cent., but they have further to fall if we are to be ready to join the euro. That is a problem for the manufacturing community. We have a strong pound because it is thought that we are not going to join within a clear timetable. That is a criticism of the Chancellor, and I should welcome early clarification of how the economy is to be run to prepare for what he described in his speech as the probability of our entering monetary union in the early part of the next decade. I want him to be much more precise. That precision is essential in respect of our influence within the monetary union during the period that we are not a member. Our influence would grow if there were a feeling that we would definitely join.

Concern has been expressed about what might happen in Italy or in other countries that are still coming to terms with the Maastricht convergence criteria. Other issues, such as liberal markets, the movement of people from one country or from one job market to another and the incidence of fiscal transfers within the stability pact and the European budget, will be crucial to whether the euro succeeds. Theoretically, it is not yet an optimal currency area. It therefore has politically to be made into that, and that will require brave decisions by the leaders of member countries. It is vital that we are part of that decision-making process: we firmly believe that we can contribute to the debate, so we should try to influence it in the direction in which we want it to go.

The Chancellor missed the point about Euro X, which is not that it will meet comfortably with those who are not members, but that, by being outside it, we shall not be at the heart of decisions or share the management of the economies of member countries with the management of ours. That issue is about not only national interest, but understanding how the national interest can be improved by working with other countries that are part of the currency zone.

There will be a huge impact on this country, which too many hon. Members turn their backs on: 80 per cent. of our home market will have a single currency, virtually from this weekend. To compete with 80 per cent. of our home market, we shall take a currency risk while those countries will not. Many companies will take a consequential decision about where their investments should be if they suspect that our stay outside currency union will be extended beyond a certain period.

I want precision in the timetable so that, as Sir Richard Sykes said in his evidence to the Treasury Committee, investment decisions are not affected because people think that our period outside will be prolonged. Many companies that are active in this country are beginning to change their investment decisions, certainly at the margin.

I welcome the Chancellor's clarification today—he only touched on the matter briefly, but I think that it was clarification—that the euro will be acceptable in transactions in Britain. I welcome it largely because that is what will happen anyway and it is better that we understand that.

Again, I put pressure on the Chancellor. What is his clear policy for preparing Britain's public services to utilise the euro? It is not possible just to say that companies can prepare and file their returns in euros. What transactions will the public services be prepared to do in euros and what preparation has the Inland Revenue made to match the demands of industry during the period when we are out? Those are crucial questions which will face Britain in the near future.

The big part of the debate is the public view, which I accept is negative to the euro at the moment, but negative because it now believes that all the costs in relation to the euro would occur if we went in. Yet, in a short time, it will be clearly seen that the political and economic costs of being out are substantial. No Chancellor will ignore the calculation of those costs. They are political costs, not least in the fact that, for example, if we were in a single currency zone, our sensitivity to volatility of currencies would be reduced from the high level at which it is at the moment to a low level, bearing it in mind that 50 per cent. of our trade in goods and services is with the rest of the euro zone.

A single currency would obviously benefit British industry. The cost to it of being out will be considerable. It would have a severe effect on our influence on global trade, which is vital if Britain is to continue its high propensity to import and export. It may well be that it will reduce our impact within the now Group of Seven, but it may well, de facto, be the group of three in the not-too-distant future. In addition, we shall have no influence on what will rapidly become the second reserve currency in the world. There are problems in being a reserve currency, but that will be the fact, largely because of the propensity to import and export of the existing euro zone and the fact that debts will be converted into the euro. Those are huge issues. They are not issues which can be debated in the House in less than two hours; they are issues that will be debated in the country.

I urge all hon. Members to recognise that we cannot reduce the issue to the simple chant of sovereignty, because there are sovereignty issues which are related to the degree of influence of the British Government, Labour or Conservative. Those are the issues where, ultimately, our influence leads to the improvement in well-being of the British people.

6.1 pm

Mr. Denzil Davies (Llanelli): The decision that will be taken by 11 countries in Brussels this weekend will be a momentous one—momentous for them and momentous for the future of Europe. There are fundamental objections to the single currency, on grounds of democracy and economics. The creation of a single currency, the abolition of national currencies, the setting up of the European central bank, and the entrenching in treaty of the ridiculously called stability and growth pact mark a substantial transfer of power from democratic Governments and Parliaments to undemocratic, bureaucratic and largely unaccountable institutions.

Some will agree and some will disagree, but a single currency is another step in the march towards a centralised European state. That state already has a flag, an anthem, citizens, a Supreme Court, an Executive, a Parliament and, after this weekend or by 1 January, it will have a single currency and a central bank. Before long, who knows, the centralised state will seek to levy taxation centrally and in its own right.

The Chancellor did not mention the choice that will be made this weekend of the presidency of the new European central bank. The shadow Chancellor did. Much of the talk will not be about sovereignty or the transfer of democratic power; much of the talk at the tables, in the margins, at the dinners, will be about who will be the new president of the European central bank. Who will be the high priest, the Caiaphas, of this new monetary temple? Meetings are already taking place, faxes and telephone calls are going around, communiqués are being drafted and redrafted by some of the finest minds in Europe, and, no doubt, there will be a showdown or two before Monday when the final decision is taken. All that will be to decide whether the new Caiaphas should either be Herr Duisenberg, the candidate of the Germanic Pharisees, or Monsieur Trichet, the candidate of the Frankish Sadducees. Like the Pharisees and the Sadducees, we are assured that they are both strict, but in different ways.

Who cares who wins that contest? It will make no difference. The new champion, once he, or perhaps she—I am told that a Finnish lady is coming up pretty fast on the inside; I do not know, but I expect that it will be a man—slips into the back seat of that long Mercedes carrying a copy of the wretched treaty of Maastricht, will make no difference at all. The president of the central bank will be bound by the words, paragraphs, protocols, clauses and preambles of that wretched Maastricht treaty. The priority will be price stability, price stability, price stability.

The poor president of the central bank will have to find that magical rate of interest which, apparently, will apply to 11 different countries, some with different economies,

[Mr. Denzil Davies]

some with different cultures, some whose economies are converging and some whose economies are diverging. He will have to find one magical rate of interest to cover all those countries. I am told that Eddie George does not want to be a candidate. Considering the difficulty that poor Eddie has in fixing a rate of interest for poor little Britain, I can well understand his reluctance to be drafted for that particular job.

However, one group of people may not care who will be president. It might be the group of young German youths who, in Saxony last Sunday, voted for a nasty and evil neo-Nazi party. The real surprise to me was not that they voted for that nasty neo-Nazi party, but that they voted at all. It seems that perhaps there was a vestige, somewhere among these young people, of a belief that a vote counts. Perhaps in the Germany of before 1 January 1999, even in the inclusive politics of Germany, a vote counts. Certainly after 1 January 1999, a vote will count for a lot less. Inclusive politics will then have been entrenched in treaty and the young men who voted in Saxony will be outside the tent.

There will be no hope of change from the central bank. The poor old president will be studying his pie charts and graphs trying to find that magical rate of interest. Price stability does not guarantee low unemployment. The Germans know that, because they have price stability and high unemployment. The Japanese are rapidly learning that, and they have an excess of price stability and increasing unemployment. Therefore, the central bank will not assist those poor youngsters from Saxony. There is no hope from the European budget, because that is only 2 per cent. of GDP at the moment. A far greater European budget is needed to compensate for the loss of economic sovereignty for the different countries of the EU.

Mr. Llew Smith (Blaenau Gwent): Will my right hon. Friend give way?

Mr. Davies: I am sorry, but I do not have time.

There is not much hope either from the German national Government. Once the core of stability and growth of my right hon. Friend the Chancellor, and all the strictness and orthodoxy of the high priests have been visited on the German Government, they will have no money to spend in east Germany, Saxony or anywhere else.

Those young people have no hope of doing what their American counterparts might do—simply getting on a Greyhound bus and travelling from Chicago to Atlanta, or from Detroit to Denver, to find a job. There is no hope of that for the poor, misguided youngsters from Saxony who voted for the Nazi party. Sadly, the problem is not confined to Saxony, or to east Germany, but exists in most of the member countries that are seeking to sign up to the euro.

It seems that the European Union still lives in its own inflexible and undemocratic world of treaties, lawyers, bureaucrats and high contracting parties. In the 1950s and 1960s, it was the Schuman plan and the extremely authoritarian European Coal and Steel Community. Now we have the Delors plan and the extremely authoritarian European central bank. Nothing much changes in the European Union—except, occasionally, the words.

However, the world has changed since the 1950s and 1960s, because the world outside is now a global economy, and I do not believe that the inflexibility and rigidities of what will be decided over the weekend fit into that world. I believe that, just as business must be flexible, Governments and constitutions need flexibility, because that is the only way that they can meet the storms that will be created by the global economy in which we live.

My right hon. Friends the Prime Minister and the Chancellor of the Exchequer will give the euro a miss this weekend. I commend them for their wisdom. I hope that their wisdom lasts a long time.

6.10 pm

Mr. Malcolm Bruce (Gordon): It is not usually my habit to question the Chair, but I am surprised that the Chair has decided that it is necessary for the House to hear the voice of the two Conservative parties and the two Labour parties, on this issue of all issues, before they hear the single voice of the Liberal Democrats. If that is to be the pattern of future debates, I wonder whether the seating arrangements should be reorganised, and the Standing Orders of the House rewritten, to account for the fact that there are two Conservative parties, two Labour parties and one united Liberal Democrat party.

The debate is about something that many hon. Members on both sides of the House said would not happen. The single currency is going to happen; and, in Britain, on an issue dominated to date by philosophical and theoretical arguments, it is about to become a very practical issue at last. Yet the Government have allocated just a couple of hours for the House of Commons to consider economic and monetary union—the biggest issue of economic policy that this country will face in the 20th century—and, in spite of their protests, the Conservative Opposition agreed to it because, as is obvious, the longer they have to speak, the more divisions will be exposed to public view. That is also true of the Government.

Instead of deciding and preparing, Britain is sleepwalking into its economic future. For the time being, the Government are happy to hide behind their magnificently contrived fudge of "five economic tests"—measures of Britain's readiness to join the single currency which are so elastic that they could stretch to the planet Vulcan and back.

Preparing for EMU should mean more than simply sending out a few thousand leaflets to businesses every six months. It means taking a decision, securing popular support, preparing the economy to make EMU a success and then shaping monetary union in Britain's interests.

Ms Rachel Squire (Dunfermline, West): Yes.

Mr. Bruce: No, unfortunately not—according to the Government's game plan.

Let us start with the decision itself, and let us be honest about the balance of the argument. No one is suggesting that, on day two of the single currency, we shall all be cleaning our teeth in champagne. There will be up-front costs of introducing the new currency.

Not many people spend their time travelling through the 15 countries of the EU, changing their money back and forth into different currencies until bank charges

gobble up 50 per cent. of their cash, and that is not the core issue. However, in the view of the Liberal Democrat party, the long-term gains of joining the single currency will be far greater than the short-term costs.

A single currency will help our firms to trade, by reducing risks and instability, and membership of the single currency will almost certainly mean lower interest rates in Britain—probably, between 1 and 2 per cent. lower than would otherwise be the case. That is worth, very practically, between £300 and £600 a year to the average mortgage payer; thousands—if not millions—of pounds a year to businesses; and billions of pounds to taxpayers as a result of lower debt charges. The single currency is also likely to bring gains from greater price competition, lower transaction costs and higher inward investment.

What action should we be taking now to prepare Britain for the single currency? The first move should be an early referendum, in this Parliament, because a change of such magnitude should be made only with the explicit approval of the people, and because, without a clear decision—this is fundamental—no proper planning can be done by business or Government. People will not spend hundreds of billions of pounds to prepare for something that they are not sure will happen, or—if it does—when it will happen.

Once a referendum has been fought and won, the Government need to promote a series of "docking proposals" to ensure that the single currency can be introduced successfully. The Government's first step must be to comply with the conditions for joining the single currency. Some of those are essentially technical, such as longer terms of appointment for Bank of England officials. However, the most fundamental point is that a period of exchange rate stability is likely to be necessary before an irrevocable locking of exchange rates.

However, I contend that, once the decision to join is taken, that task would become far easier than it would be now. Markets would immediately bring down United Kingdom interest rates, and sterling would converge towards a likely monetary union joining level. We have had evidence of that in the markets. Therefore, given the political commitment to join, and wide bands of acceptable fluctuation, there is no reason why Britain should have any difficulty in stabilising the pound at an acceptable level before entry.

Fiscal policy would have to operate in relation to monetary policy in order to converge UK and euro interest rates, so that, at the moment of docking, they were at broadly the same level. That is the convergence which we need to secure. To facilitate that process, the Government should now provide for half-yearly convergence reports, which I suggest should be jointly presented to the Treasury Select Committee by the Treasury and the Bank of England.

What about our economy within the single currency? Is there enough flexibility within the single currency area to make EMU work effectively? I believe that the fears have been much exaggerated by the critics, who draw attention—I heard one of them shout from the Back Benches—to disparities in unemployment within Europe, and decry the loss of national monetary flexibility. In Britain, however, unemployment rates range from some 0.9 per cent.—in the Wokingham constituency, interestingly—to more than 18 per cent. in inner Birmingham.

Presumably, the logic of the red-blooded, Euro-sceptic, right hon. Member for Wokingham (Mr. Redwood) would lead to different currencies and monetary policies within the United Kingdom. Perhaps the right hon. Gentleman has moved on from his fantasies about becoming the 51st state of the USA, which seems to be his ambition, and will be pushing for a central bank of Berkshire, which could set an interest rate perfectly attuned to the local economy. That, I fear, is the logic of his position.

There are actions that we could take to introduce greater flexibility. First, we could make our economy slightly less sensitive to interest rate changes by encouraging a move to fixed-rate mortgages of, let us say, 10 to 15-year duration. Secondly, we need to consider a larger role for fiscal policy as an economic stabiliser—something that has fallen out of fashion as a result of some poor recent economic management and the political fixation about lower taxation. What if we could frame a better fiscal stabiliser, not by taxing people more but by, let us say, varying contribution rates to a compulsory pension scheme, or varying tax reliefs on existing pension schemes?

Thirdly, we could facilitate labour mobility through pension portability and the mutual recognition of qualifications. Finally, we should be doing more to shape monetary union in our own interests. We should be arguing for more fiscal flexibility for countries with responsible amounts of public debt, such as the UK. We should also press for a European central bank that is more accountable to the people of Europe through the European Parliament.

While others design and build, as they are doing this weekend, Britain dithers on the touchline. While we delay, we are being left out of key economic decisions that will be taken by the Euro X committee, and ultimately by the central bank. Those decisions will directly affect our domestic rates of interest and exchange rates, but no British representative will have any influence on them.

If the Government are, in principle, in favour of joining monetary union, are they not aware of the enormous risk of delaying entry and leaving its timetable so vague and imprecise? I suspect that the Chancellor's attempt to build stability at home and win economic influence abroad is undermined by a Prime Minister with his eyes too much on the latest opinion polls and too little on the main chance for Britain. Being a populist Prime Minister certainly makes him popular, but it may also make him duck the leadership decisions that are necessary to bring about the right results for the United Kingdom.

If the Chancellor wants to secure the economic stability to which he says he is committed, he should knock on his Downing street neighbour's door and insist on reopening the Government's single currency policy immediately.

The sad fact is that the Government have got themselves into this position by accident. We all know that the Chancellor's preferred position was to take an early decision on entry; but that was unfortunately leaked to the *Financial Times*, with consequential effects on the markets which clearly demonstrated what the benefits would be. As a result, an embarrassed Government sent Charlie Whelan round to the Red Lion pub with his mobile phone, to have a pint of beer and to spin the argument in the opposite direction. The Chancellor then

[Mr. Bruce]

came to the House and gave us his economic tests—and his decision that we would not decide on entry within the lifetime of this Parliament.

Once monetary union is established, it will become more apparent as each day goes by that Britain's interests demand a decision in this Parliament. A Government who fail to take that decision will have failed the British people and the British national interest.

6.21 pm

Mr. Roger Casale (Wimbledon): We are on the eve of a watershed in post-war European affairs, and there can be no more fitting commemoration of the stunning Labour victory of a year ago than that a Labour Prime Minister should preside over a meeting of the European Heads of State, which will decide which countries will participate in the euro. Those Heads of State will know that our Prime Minister is committed to making the euro a success. There can be no more important decision in Europe today than the decision on which countries will take part in the third stage of monetary union. That decision will be made tomorrow at a meeting presided over, in good faith, by a Labour British Prime Minister.

The meeting is crucial to the future of Europe because the third stage of monetary union will represent a massive deepening of European integration in advance of a widening of Europe to the east. It is vital to the future of Europe that European monetary union be a success. Monetary union is also important to safeguard the gains from European integration made in the past. The previous Administration were strong advocates of the single market. Surely Conservatives recognise, as we do, that the single currency will underpin the economic gains of the single market.

Yet by tabling their amendment, the Conservatives seek to scupper the successful launch of the euro. That is why it is important to state in this debate the positive case for the euro and further monetary integration. The countries that want to sign up to EMU are not doing so just because they have passed the convergence test, important though that is. They are doing so because they can see the positive economic gains that will flow from membership of the single currency. If a common market is good for Europe, let us have a common market that is as complete as possible. In that common market we have a common measure of length, the metre, a common measure of weight, the kilo; and we will soon have a common measure of economic value as well. The justification for the euro is as strong as it was for the single market itself. The removal of transaction costs—changing from one European currency to another—will be a major boost to consumers and to the European economy.

The justification for monetary integration and the euro goes far beyond the narrow though important aim of completing the single market. Since 1969, European leaders have striven to find a system that could bring back some of the stability that was once provided by the Bretton Woods system of exchange rate parities. When that system broke down at the time of the Vietnam war, because it was abandoned by the Americans who had created it and whose dollar was its cornerstone, European leaders looked around for an alternative. That was when the plan for a European currency—the Werner plan—was launched: ironically, at The Hague summit of 1969.

Over the past 30 years, the search for the stability necessary to make that project a reality has proved elusive. As a result, we have lived through a generation, from the oil crisis onwards, of high inflation, persistently high unemployment and high and rising Government debt. Throughout this period the national economies of Europe have proved themselves incapable of managing major international shocks of this kind on their own. A single monetary policy and currency will help them to do so, and we should wish them well.

The euro is the essential element in preparing Europe for the rigours, the pressures and the challenges of global competition. Just as my party has had to, the Conservative party should face up to that challenge. The euro represents a unique opportunity to integrate Europe in the global economy, perhaps as the most powerful economic player on the world stage. At a stroke, the establishment of the euro will see off the currency speculators. At a stroke, the euro will challenge the dollar as the international reserve currency. And at a stroke, we shall have shifted the balance of world economic power in favour of Europe. That is why the euro can and must succeed.

Although economic arguments will be to the fore in tomorrow's discussions, I should emphasise that the implementation of the euro will require political commitment too. It is economically justified, but it will need political commitment to succeed. That commitment has so far been shown to the greatest extent by Germany, which stands ready to give up the independence of the Bundesbank; which action, if carried out, will be the greatest contribution that that country has made to post-war Europe. It will secure Germany's European credentials once and for all. Italy and France may also be able to make such a commitment, and Britain should show the rest of Europe our political commitment to making the euro work, too.

By creating a single currency, we are not creating a single language, identity, culture, or any of the other spectres feared by some Conservative Members. Indeed, Europe has distinguished itself by its diversity, which will continue. But we will be creating a strong base for continued co-operation in Europe, for lasting peace, and for macro-economic stability. Those may secure for Europe a leading position in the world economy, on which basis I commend the reports to the House.

6.28 pm

Sir Michael Spicer (West Worcestershire): It would be nice to join in the ebb and flow of the debate, but given the scandalous shortage of time that we have for it, I shall confine myself to probing the Government on their exact position on entry to European monetary union. Apparently, the position as restated today is that they want to go in, subject to the economic tests, and subject, presumably, to the Maastricht criteria. However, their position looks increasingly incredible in both respects, and especially so after this debate.

Let me deal first with the Maastricht criteria by giving the House a flavour of what was said about them when the Chancellor of the Exchequer was questioned by the Select Committee on the Treasury. I shall—perhaps at

random—pick out the questions that I asked the Chancellor. I asked:

"When the question comes up at the Council of Ministers on 2 and 3 May as to who should be the members of the first wave of the single currency, will the British Government be taking a strict view or not of the Maastricht criteria on compliance?"

The Chancellor replied:

"I think it is important that the Maastricht convergence criteria are looked at very carefully . . . As I say, I am not going to get in a position of prejudging individual countries or prejudging what might be decided."

The discussion goes on for a column or so, and then I ask:

"If they do not meet the criteria, will it be the position of the British Government . . . that there should be a veto on their accession?"

The Chancellor replied:

"It is very important that we look very carefully at these convergence criteria and the reports."

I continued:

"I think it is extraordinary that you cannot give us a yes or no."

He replied:

"Let us wait and see the figures."

And so it goes on for another column or so in this rather frustrating way.

The figures are now available, and we have heard a great deal about them during this debate. They show that Italy and Belgium are missing the criteria by 100 per cent. Contrary to what has been said, there are signs that Italy's deficit is rising rather than falling. Much has been said about falling within the criteria, but that deficit looks as if it is going the other way. The Maastricht criteria do not seem to matter much, at least to the Government.

Mr. Rammell: Will the hon. Gentleman give way?

Sir Michael Spicer: No, I cannot possibly give way at this stage.

The Maastricht criteria appear not to matter, as we shall see over the weekend. However, I want to put one specific question about the criteria to the Government. It is the same question put by the Treasury Committee in its report: must we go back into the exchange rate mechanism for two years before we decide on whether to apply properly for the single currency?

Let me now turn to the economic tests which the Government have set themselves for entry to EMU. The principal test is the convergence test. Let me again give the House a flavour of what was asked on that by—again at random—me. I asked the Chancellor:

"How many cycles do you think we have to wait for before we know whether we are in sync?"

He replied:

"I think it could be earlier than that".

to which I asked:

"Earlier than what?"

He said:

"You were suggesting that somehow we have to wait 20, 30 or 40 years."

I replied that I had not, saying:

"I was asking a question . . . This is a very easy question. If you are trying to get your cycle in sync with somebody else, you must go through at least one cycle to make sure whether you are in sync, surely?"

He said:

"I do not accept that."

So, the Government do not accept that we have to be in sync over a cycle to meet the convergence criteria, but in its report the Treasury Committee was quite tough on the point, saying that it wanted not only convergence criteria but more detail of what could be involved, including mortgages, pension funds and all the factors that make different cycles. The truth is that the gaps in the cycles are widening, which makes one question whether the Government are serious about their economic tests.

So serious is the question that the Treasury Committee—the hon. Member for North Durham (Mr. Radice) may not like this, but it is a Labour-controlled Committee and some of its members are loyalist members of his party—included the five-year test.

Mr. Radice *indicated dissent.*

Sir Michael Spicer: He said today that he did not like that. I shall check it in *Hansard* tomorrow, but he said that he thought in retrospect that he should not have included the five-year test. However, that is what is in the report.

The Committee has stated that there should be at least a five-year period to assess the convergence test. The irony is that just as the Government are apparently backsliding on the economic test, the business community is beginning to wake up to the fact that it could be rather important and that entry to EMU—certainly premature entry—could be very serious indeed for business.

The European Research Group will publish a paper in several weeks' time, which will be signed by more than 100 chairmen and chief executives of public companies, stating that from an economic point of view, and taking into account the tests, they do not think it is appropriate to join. The main thrust of their arguments is that it will be bad for interest rates, and that because we are not converging as economies, the cycles that we would face would be dominated by the cycle of the German economy, which is the size of those of Britain and France put together. German interest rates would effectively determine our own, and that would not be appropriate to our country.

Secondly, exchange rates will be inappropriate because exchange rates are properly determined by market conditions, and that is the one thing that will not happen under a single currency.

Above all, EMU will be bad for taxation in this country. I remind hon. Members who have not had a chance to read our report of the evidence of the Governor of the Bank of England. It said:

"if structural differences persisted you could have difficulty in getting a single monetary policy which is appropriate for the area' . . . if there was not the pressure to generate flexibility, which would often resolve these tensions, that would give rise to pressure for fiscal transfers, there would be that great political debate . . . The tensions could take the form of 'pressure for some countries experiencing long-term unemployment and stagnation to have fiscal redistribution on a larger scale and there will be great resistance to that.'"

[Sir Michael Spicer]

That means, in simple language, which the Governor was too polite to use, a massive central taxation system.

Mr. Charles Clarke: Will the hon. Gentleman give way?

Sir Michael Spicer: I cannot; I am sorry.

Mr. Clarke: He did not say that.

Sir Michael Spicer: The hon. Gentleman, who is an assiduous member of the Committee, obviously has not read the report. The Governor used the words that I have just quoted. The Chairman of the Committee said that political factors matter as well as economic ones. The point is that the economic tests are a condition that have to be met. They are not a sufficient condition as it is, of course, true that political factors will have to be taken into account, but the Government cannot have it both ways: if they set economic tests, they must abide by them, but the inference that must be drawn from what they are doing is that they will not do so. The whole process is a sham and we should oppose it at every point.

6.37 pm

Mr. Tam Dalyell (Linlithgow): May I express a minority view, although perhaps not as much of a minority view as people imagine? We should go in, even at this, the 11th hour and 59th minute, at the first stage. If one knows that one is going to catch a train, is it not wise to catch it at the point of departure rather than run along the line and try to catch up with it once it is in motion?

I believe it is a historic mistake not to go in at the first opportunity and I end by asking this question: will the Minister give us some inkling about what the price is of not joining?

6.39 pm

Mr. David Heathcoat-Amory (Wells): It is always a pleasure to follow the hon. Member for Linlithgow (Mr. Dalyell).

Mr. Ieuan Wyn Jones (Ynys Môn): On a point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker (Mr. Michael J. Martin): This is a very short debate.

Mr. Jones *rose—*

Mr. Deputy Speaker: The hon. Gentleman must sit down when I am speaking. It had better be a point of order, because I shall be very cross if it is not.

Mr. Jones: I need to raise this point of order, Mr. Deputy Speaker. Some parties whose members wish to contribute have not been represented in the debate—

Mr. Deputy Speaker: Order. The hon. Gentleman will please be seated. That is not a matter for the Chair.

Mr. Heathcoat-Amory: The hon. Member for Linlithgow had clearly intended to make a fuller speech: the brevity of his remarks illustrates the fact that this debate is too short. Many of my hon. Friends also wanted to contribute to potentially one of the most important debates that will take place during this Parliament.

The hon. Member for Linlithgow used the usual metaphor of trains leaving stations. The Opposition always like to know where the train is going before we board it. It has been clear throughout the debate, and throughout our contemplation of this subject, that although the Government are committed in principle to relinquishing the national currency, they have no clear idea why they are doing so or on what terms they should do it.

It is clear beyond doubt that, this weekend, the European Union will embark irrevocably on economic and monetary union, which is an event that, in some ways, is more far-reaching than the founding of the Common Market. It is without historical precedent: it is unknown for monetary union to go ahead before the achievement of political union. Consequently, huge risks are involved. At least in the early years, there will not be the centralised organs of a European Government—a federal budget and so on—that are needed to run a currency. Therefore, it has always been recognised that, at the very least, participating member states must first achieve a high degree of economic convergence, including a harmonised level of Government debt and deficit.

That was written into the treaty during the Maastricht negotiations in 1991. The provisions are binding on all member states, and treaty law ranks ahead of national law. Therefore, it is common ground in all member states, in all institutions of the European Union, and, I think, in the House, that this hugely ambitious project can work only if the treaty provisions are applied strictly, literally and completely. If they are not, damage will be done not just to countries in the euro zone but to neighbouring countries such as Britain. Presumably, that is why, on 5 January this year, the Prime Minister said:

"We have got to apply the rules absolutely scrupulously".

We agree. My hon. Friends the Members for Esher and Walton (Mr. Taylor) and for West Worcestershire (Sir M. Spicer) and all parties in the House agree with that. Our question is: why is the Chancellor of the Exchequer colluding in a fudged and fiddled treatment of those entry criteria? The answer is that EMU is viewed elsewhere as being primarily a political project. The economic facts have been made to fit the political case, so questions of deficits and interest rates are somehow secondary. The European Commission, which should be the guardian of the treaty, is a committed party to monetary union. It is an advocate of monetary union; it is not neutral. Therefore, the presidency of the European Union—which is Britain for this half-year—must enforce the rules "scrupulously", to use the Prime Minister's phrase. If we do not, damage will result not just in the European Union generally but in this country specifically.

Mr. Charles Clarke: Will the right hon. Gentleman give way?

Mr. Heathcoat-Amory: No, I am sorry, but there is too little time.

How can the rules be applied scrupulously when two countries have more than twice the permitted level of debt? How can the Italian debt level of 122 per cent.

be judged to be "sufficiently diminishing"—to use the language in the treaty—when it has increased since the 1991 Maastricht terms were agreed? How can it be sufficiently diminishing when, according to the Italian Government's own highly optimistic forecasts, it will take another 20 years to reach the permitted level? The Chancellor did not answer when we asked him about that. Perhaps he genuinely has not worked out the terms of his fudge: perhaps he does not know how he will square the circle on that one this weekend.

Hon. Members have described many other one-off accounting fixes that were specifically ruled out in the treaty. At the Dublin summit in December 1996, the supreme decision-making body of the European Union said:

"It is equally important that . . . government financial positions in particular are sustainable and not affected by measures of temporary effect."

Yet France just squeaked in to the 3 per cent. permitted deficit level via a one-off accounting fiddle whereby it took 37 billion francs from France Telecom last year. That is outlawed under the terms of the Dublin summit, but France has done it and there is not a squeak of criticism from the chairman of the committee that is to make the momentous decisions.

This Government have failed politically—and it is not just the European Union that will suffer. Member states collectively, but particularly the committee presidency, must ensure that the treaty language is applied strictly. The German Government have desperately sought additional commitments from member states. At last week's ECOFIN, Mr. Waigel, the German Finance Minister, desperately launched a new draft declaration on budgetary consolidation. It is a last-minute fix, but at least the Germans are trying. What is the Chancellor doing to help? Why must it be left to the Germans to try to salvage something from the wreckage of the treaty provisions?

The Chancellor has five tests that he will apply to the United Kingdom to help him decide whether we should join monetary union in due course. The Treasury Committee criticised those tests as being unclear and subjective. It asked why the Chancellor applied those tests to this country as a reason for keeping us out, when they are a reason for letting everyone else in. The Chancellor is breaking his own entry criteria tests as well as the treaty rules. The muddle and incompetence are made worse by the Government's failure to resolve the dispute about who should be president of the European central bank. That issue has been drifting on for months and it is doing great damage to the perception of the euro in world markets, because no one knows what the bank's future monetary policy will be.

The Treasury Committee observed that damage would be caused to this country by an unstable and weak euro. That is already happening. Sterling is a currency of refuge. Markets do not like what is happening on the continent—they do not like the fudging and the fiddling—so they are buying sterling. The strength of sterling is already causing unnecessary damage to manufacturing industry, farming and the exporting industries, as revealed by the yawning trade gap. The Government are responsible because they will chair the crucial meetings this weekend. Instead of serving the interests of member states, they are betraying them by colluding in a policy that puts political expediency before economic facts. Europe and the British economy will pay a heavy price for that.

6.48 pm

The Economic Secretary to the Treasury (Mrs. Helen Liddell): This has been an interesting debate. It started with a degree of manic passion across the House, which quickly became manic depression when the right hon. Member for Hitchin and Harpenden (Mr. Lilley) rose to speak. We had a lesson in leadership from the Liberal Democrats, which was amusing in itself. The hon. Member for West Worcestershire (Sir M. Spicer) then read out his speech to the Treasury Committee, which gives a new meaning to the phrase "vanity publishing". We should be grateful that at least he did not try to mimic the voices of those present at the time.

We are on the eve of a significant moment for Europe. This weekend, the Prime Minister and the Chancellor will chair key meetings to decide which countries should join the single currency on 1 January 1999. This year—one year on from the general election—a Labour Chancellor of the Exchequer and a Labour Prime Minister are respected and admired, as distinct from their Conservative predecessors, by our partners in Europe. We all remember the shame that this country experienced because of the Conservative Government's performance.

Let me reiterate that the UK Government believe that a successful single currency would be in the interests of Europe and of Great Britain.

Mr. Jenkin: Will the hon. Lady give way?

Mrs. Liddell: I have no intention of giving way. The right hon. Member for Wells (Mr. Heathcoat-Amory) did not give way to my hon. Friends, and a number of points were made in the debate which I wish to answer.

The Government believe that a successful single currency will lock in monetary and fiscal stability, and provide a competitive boost to European business. The rest of Europe now knows that the UK Government share the objective of a successful single currency. We are the first United Kingdom Government to declare themselves in favour of the principle of a single currency. We look to the future because we do not have to keep looking over our shoulders to see what is happening on the divided Benches behind us.

May I take up some of the points made in the course of this debate? The hon. Member for Gordon (Mr. Bruce) eventually made a rather petulant speech. I must point out to him that we shall not join in the first wave because our economy has neither the necessary convergence with the rest of Europe nor the necessary flexibility for it to be in our economic interest to do so. We want the single currency to succeed. For the British Government to enter a single currency when we believe that it would not be in our interests would damage the single currency. We shall take decisions based on the best interests of the UK economy.

The official Opposition have already made it perfectly clear that, even if it were in Britain's national economic interest, they would not join a single currency. Would that be for five, 10 or 60 years? Their ideological or theological differences matter more to Conservative Members than Britain's national economic interests.

We heard a considerable amount about Italy, although we did not hear quite as much about what Opposition Members think about Britain's position in relation to a single currency. I want to look specifically at the position of Italy. The treaty is clearly not hard and fast.

[Mrs. Liddell]

Conservative Members should be well aware of that, as it was they who signed it. The treaty makes it clear that the debt level, which is part of the excessive deficit position, is open to interpretation, and it has been rightly interpreted in the past. When the Conservatives were in government in 1994, ECOFIN, which included the right hon. and learned Member for Rushcliffe (Mr. Clarke), decided that Ireland did not have an excessive deficit when its debt stood at 96 per cent. In 1996, the Council reached the same conclusion about Denmark when its deficit stood at 72 per cent., so some consistency from Conservative Members would have been appreciated.

I reiterate the point in relation to Italy: the deficit over the past four years has been much smaller, at only three points, as my right hon. Friend the Chancellor pointed out. The Italian Government's draft budget was announced earlier this month and is currently being debated before the Italian Parliament. It makes it clear that the Italians are aiming to bring the debt ratio down by 3 per cent. a year over the next four years. Those figures must be put into context. Italy has been running a primary surplus since the early 1990s and its overall deficit is forecast to remain on a declining trend, below 3 per cent., with a current account surplus.

I wish to make an extremely important point: we must make clear the significance of sustaining debt reduction for all EU member states, but especially those with high debts. That fits in very much with UK domestic policy, which is why my right hon. Friend the Chancellor has made it clear that we are working with other member states towards a declaration that re-commits European countries to continued fiscal discipline through the stability and growth pacts.

As well as the criteria that we shall discuss this weekend, it is of critical importance to the success of the single currency that there is structural reform. EMU will require economic reform, and this Labour Government have led the debate in Europe on that. Attention to the supply side will determine the employment and productive capacity of Europe's economies. It is only by undertaking reform that we can ensure that EMU works and is in our national interest.

The hon. Member for West Worcestershire asked about the exchange rate mechanism. My right hon. Friend the Chancellor has made it clear that we have no intention of rejoining the exchange rate mechanism.

Sir Michael Spicer: You have to.

Mrs. Liddell: It is perfectly clear from the European Monetary Institute reports published in relation to EMU that we do not have to. Finland and Italy are two cases in point. The exchange rate conditions can be interpreted flexibly. I must point out to the hon. Gentleman, because I know of his interest in these matters, that ERM will become a different beast after the establishment of a single currency zone. I repeat what my right hon. Friend the Chancellor has said time and again: we do not intend to rejoin the ERM.

Mr. Lilley: Will the hon. Lady confirm that she disagrees with the Treasury Committee report, which says:

"the Commission and EMI reports indicated that Sweden was not considered to have met the criterion because it had not participated in the ERM at all."?

If Sweden is excluded on that ground—otherwise it would have been forced by law to join—why would we be allowed to join, as we did not voluntarily join the ERM?

Mrs. Liddell: I regret having given way to the right hon. Gentleman. I did so because of his position in the House. He should read the EMI report, because he has quoted selectively. The decision on Sweden relates to the position of its central bank.

May I return to the substantive points that hon. Members made in the debate? My hon. Friend the Member for Linlithgow (Mr. Dalyell) asked about the cost of not joining a single currency. That question goes to the heart of this debate. The cost of not joining is being out of sync with the rest of Europe, and cutting ourselves off from the global opportunities that will be available to us, from the removal of transaction costs and from an opportunity to work in concert with our European partners. That is why the Government have said that if it is in Britain's economic interests to join a single currency, we see no barrier to our doing so.

However, it would not be right to join in the lifetime of this Parliament, to a large extent because of the position that we inherited from the previous Government. Conservative Members try hard to pretend that the events of last year did not happen, but one of the most illuminating factors that the Government experienced on 2, 3 and 4 May was to see the fudges of the previous Government and the extent to which they were prepared to play politics rather than take into account the nation's interests.

The British Government have an opportunity tomorrow, as we have had over the past year, to enable member states to maximise their potential for the benefit of every European citizen. We have won the respect of the other member states, which is particularly important given the shameful behaviour of the previous Government. I am proud that tomorrow and on Saturday I shall see these momentous decisions being taken. I am also proud to be part of a Government who are enabling this country to prepare for entry into EMU and who will decide when it is in Britain's national economic interest to join.

I urge the House to support the motion and to wish the Chancellor and the Prime Minister well at the summit over the weekend.

Question put, That the amendment be made:—

The House divided: Ayes 138, Noes 287.

Division No. 265] **[7 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Arbuthnot, James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baldry, Tony
Bercow, John
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick

Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Rt Hon Sir Alastair
Gorman, Mrs Teresa
Green, Damian
Greenway, John
Grieve, Dominic
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat–Amory, Rt Hon David
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith,
Rt Hon Sir Geoffrey
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Mates, Michael
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, Sir Teddy
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim

Tellers for the Ayes:
Mr. John M. Taylor and
Mr. John Whittingdale.

NOES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Banks, Tony
Barnes, Harry
Battle, John
Bell, Stuart *(Middlesbrough)*
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Betts, Clive
Blackman, Liz
Blizzard, Bob
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Gordon
(Dunfermline E)
Brown, Rt Hon Nick *(Newcastle E)*
Browne, Desmond
Bruce, Malcolm *(Gordon)*
Burden, Richard
Burgon, Colin
Burstow, Paul
Butler, Mrs Christine
Cable, Dr Vincent
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Canavan, Dennis
Cann, Jamie
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Church, Ms Judith
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Cotter, Brian
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Davey, Edward *(Kingston)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dean, Mrs Janet
Denham, John
Dobbin, Jim
Dobson, Rt Hon Frank
Doran, Frank
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Ellman, Mrs Louise
Etherington, Bill
Fatchett, Derek
Fearn, Ronnie
Field, Rt Hon Frank
Fitzpatrick, Jim
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Galloway, George
Gardiner, Barry
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Godsiff, Roger
Golding, Mrs Llin
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Hall, Patrick *(Bedford)*
Hancock, Mike
Harris, Dr Evan
Heal, Mrs Sylvia
Heath, David *(Somerton & Frome)*
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hoon, Geoffrey
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie
(Welwyn Hatfield)
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Ms Jenny
(Wolverh'ton SW)
Jones, Martyn *(Clwyd S)*
Jones, Nigel *(Cheltenham)*
Keeble, Ms Sally
Keetch, Paul
Kelly, Ms Ruth
Kennedy, Charles *(Ross Skye)*
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Livingstone, Ken
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonnell, John
McIsaac, Shona
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
McWalter, Tony
McWilliam, John
Mallaber, Judy
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*

Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Maxton, John
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moore, Michael
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Rt Hon John *(Aberavon)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Oaten, Mark
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
Organ, Mrs Diana
Palmer, Dr Nick
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Reed, Andrew *(Loughborough)*
Rendel, David
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Ms Joan
Russell, Bob *(Colchester)*
Sanders, Adrian
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, Matthew *(Truro)*
Temple–Morris, Peter
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Tonge, Dr Jenny
Touhig, Don
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Twigg, Derek *(Halton)*
Tyler, Paul
Vis, Dr Rudi
Wallace, James
Watts, David
Webb, Steve
White, Brian
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Winnick, David
Wise, Audrey
Wood, Mike
Wray, James
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Noes:
Ms Bridget Prentice and Mr. Jim Dowd.

Question accordingly negatived.

Main Question put:—

The House divided: Ayes 196, Noes 35.

Division No. 266] **[7.12 pm**

AYES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Atkins, Charlotte
Banks, Tony
Barnes, Harry
Benton, Joe
Bermingham, Gerald
Betts, Clive
Blizzard, Bob
Boateng, Paul
Borrow, David
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Browne, Desmond
Burgon, Colin
Butler, Mrs Christine
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Cann, Jamie
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Church, Ms Judith
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Cox, Tom
Cranston, Ross
Crausby, David
Darling, Rt Hon Alistair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Denham, John
Dobbin, Jim
Doran, Frank
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Ellman, Mrs Louise
Etherington, Bill
Fatchett, Derek
Fitzpatrick, Jim
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Gardiner, Barry
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Godsiff, Roger
Griffiths, Jane *(Reading E)*
Hall, Patrick *(Bedford)*
Heal, Mrs Sylvia
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Hinchliffe, David
Hoey, Kate
Hoon, Geoffrey
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Martyn *(Clwyd S)*
Keeble, Ms Sally
Kelly, Ms Ruth
Kennedy, Jane *(Wavertree)*
Kidney, David
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Levitt, Tom
Liddell, Mrs Helen
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonnell, John
McIsaac, Shona
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
McWalter, Tony
McWilliam, John
Mallaber, Judy
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marshall–Andrews, Robert
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morris, Rt Hon John *(Aberavon)*
Mudie, George
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
Organ, Mrs Diana
Palmer, Dr Nick
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Reed, Andrew *(Loughborough)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Roy, Frank
Ruddock, Ms Joan
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*

Spellar, John
Starkey, Dr Phyllis
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Temple-Morris, Peter
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Touhig, Don
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Twigg, Derek *(Halton)*
Vis, Dr Rudi
Watts, David
White, Brian
Wicks, Malcolm
Williams, Alan W *(E Carmarthen)*
Winnick, David
Wise, Audrey
Wood, Mike
Wray, James
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Ayes:
Ms Bridget Prentice and
Mr. Jim Dowd.

NOES

Allan, Richard
Brake, Tom
Brand, Dr Peter
Breed, Colin
Bruce, Malcolm *(Gordon)*
Burstow, Paul
Cable, Dr Vincent
Campbell, Menzies *(NE Fife)*
Chidgey, David
Cotter, Brian
Davey, Edward *(Kingston)*
Fearn, Ronnie
Gorrie, Donald
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Heath, David *(Somerton & Frome)*
Hughes, Simon *(Southwark N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, Charles *(Ross Skye)*
Kirkwood, Archy
Livsey, Richard
Moore, Michael
Oaten, Mark
Rendel, David
Russell, Bob *(Colchester)*
Salmond, Alex
Smith, Sir Robert *(W Ab'd'ns)*
Taylor, Matthew *(Truro)*
Tonge, Dr Jenny
Tyler, Paul
Wallace, James
Webb, Steve

Tellers for the Noes:
Mr. Andrew Stunell and
Mr. Adrian Sanders.

Question accordingly agreed to.

Resolved,

That this House takes note of European Community Documents Nos. 7161/98 and 7188/98 consisting of reports from the European Monetary Institute and European Commission in accordance with Article 109j of the Treaty.

Scotland Bill (Programme)

Motion made, and Question proposed,

That the Order [13th January] relating to Scotland Bill (Programme) be further amended—

(a) in paragraph 2, by leaving out 'at Ten o'clock' and inserting 'six and a half hours after the commencement of proceedings on the Bill';

(b) by inserting, after paragraph 2,—

'2A. On each such allotted day paragraph (1) of Standing Order No. 15 (Exempted business) shall apply to proceedings on the bill for any part of the period of six and a half hours after the commencement of proceedings on the Bill which falls after Ten o'clock';

and

(c) in paragraph 4, by inserting after sub-paragraph (3)—

'(3A) If, on consideration, two or more Questions would fall to be put under sub-paragraph (1)(c) on amendments moved or motions made by a Minister of the Crown, the Speaker shall instead put a single Question in relation to those amendments or motions'.—[*Mr. Betts.*]

7.21 pm

Mr. Nick St. Aubyn (Guildford): I cannot help but notice that we are being given a guaranteed extra six and a half hours on the Scotland Bill programme, whereas this afternoon we thought that we would have three and a half hours to debate the vitally important issue of economic and monetary union, but had barely two hours for our debate.

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. I am going keep the debate tight: the hon. Gentleman cannot talk about EMU, but can talk only about the programme motion.

Mr. St. Aubyn: I was not intending to talk about EMU, but was merely drawing the contrast between the amount of time that we had to debate that vital issue and the amount of guaranteed time being given to debate the Scotland Bill, when we have already had so many days in Committee on that Bill. Before we approve the motion, we should consider whether those hours should be devoted to Scotland, instead of to issues that affect the whole country.

Mr. Alex Salmond (Banff and Buchan): I understood that it was the Conservatives' position to want more time devoted to debating the Scotland Bill. There seems to be a division opening up between the Tory Back Benchers and those left on the Tory Front Bench.

Mr. St. Aubyn: I have done some research: I went to the Library and asked for figures on how long the House normally debates Bills. For the last Session for which there is information—the last Session of the previous Parliament—there were 32 Bills, and a total of 227 hours were spent considering those Bills on the Floor of the House, giving an average of about seven hours in total spent on each Bill. The Committee stages of the two constitutional Bills of this Session are taking more than 100 hours of debate on the Floor of the House. It is perfectly reasonable for hon. Members to debate this

[Mr. St. Aubyn]

evening whether it is right that we should devote a guaranteed extra six and a half hours to one of those constitutional Bills.

Mr. Eric Forth (Bromley and Chislehurst): Will my hon. Friend make it clear during his speech whether he welcomes the extension of time in principle, whether he is unhappy with what has brought it about and whether he feels that it should be more widely applied in other circumstances? That would help those of us who want to participate in the debate.

Mr. Deputy Speaker: Order. The hon. Member for Guildford (Mr. St. Aubyn) is not going to talk about any wider applications; he will confine his remarks to the motion before the House.

Mr. St. Aubyn: I am grateful to you, Mr. Deputy Speaker, because I know that my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) would lead me down dangerous paths if I were to let him, and it is not my intention to do so.

It is worth considering why we need the extra six and a half hours of debate and, in the absence of any statement from the Leader of the House in proposing the motion, I can only divine that one of the reasons is to make sure that we have a six-and-a-half-hour debate on the West Lothian question.

The President of the Council and Leader of the House of Commons (Mrs. Ann Taylor): Would the hon. Gentleman care to correct the impression that he has given? I am sure that he has read extremely carefully both tonight's motion and the order that it would amend. He would be misleading the House were he to suggest that we propose an extra six and a half hours.

Mr. St. Aubyn: I have the original motion of 13 January in front of me. As a new Member, I find some of the rules and regulations a little hard to follow and, if that is what has happened, I apologise, Mr. Deputy Speaker; however, as I understand it, the motion before us guarantees periods of six and a half hours when they might not otherwise be available. I have given the example of this afternoon, when we thought that we would have a three-and-a-half-hour debate on an issue of national importance, but the time available was cut. My understanding of the motion, in the absence of further clarification from the right hon. Lady, is that, from the time we start on the Scottish issue, we shall have an absolutely guaranteed six and a half hours for debate.

The question is, should we allow that? I have read the rules and the proposals carefully and there is nothing on the face of the motion or in the order of 13 January to suggest for one moment that what we shall be discussing in that six and a half hours is the West Lothian question.

Mr. Salmond: May I offer another explanation for the allocation of six and a half hours? Might it be because some hon. Members are talking for too long about very little indeed?

Mr. St. Aubyn: That is often the case—the hon. Gentleman has made a valuable point, and it is one that I hope he will bear in mind when he rises to speak in future.

It is critical that we have a statement. Perhaps the Leader of the House would like to intervene again, to assure us that the substantive purpose of the amendment to the order is to ensure that we have a debate on the West Lothian question. If that is the purpose, I would welcome it, albeit conditionally, and I would be prepared to support the motion, because the West Lothian question is of great importance to this country. However, if we are being guaranteed six and a half hours for a debate on that issue—one of constitutional importance, which goes to the heart of the Scotland Bill—it is fair to ask ourselves why we are not being guaranteed similar periods of time to consider the other vital issues that are being brought before the House in rapid succession by the new Government.

Mr. Edward Leigh (Gainsborough): Is six and a half hours long enough? The West Lothian question is the same as what used to be called the Irish question, on which, under the Gladstone Government, the House spent weeks. Under the previous Labour Government, the House spent days on the West Lothian question, but we now have six and a half hours in which to consider a matter that is pertinent to the future of the United Kingdom. Is that satisfactory?

Mr. St. Aubyn: My hon. Friend makes a telling point. If so much time had not been spent in Committee on the Floor of the House considering the minutiae of the Scotland Bill, we could have had many hours in which to debate this vital constitutional issue. It is extraordinary that so much time has been spent debating the Bill when the so-called West Lothian question has not been considered, especially as consideration of that question could determine whether hon. Members continue to support the Bill.

Mr. Salmond: I do not think that the hon. Gentleman was present, so I should tell him that the West Lothian question was indeed discussed at two sittings when the Bill was considered in Committee.

Mr. Leigh: Very briefly.

Mr. Salmond: Not that briefly. At any rate, the question has been considered—perhaps the hon. Member for Guildford (Mr. St. Aubyn) will accept the correction.

Mr. St. Aubyn: I am grateful for that minor correction, but my substantive point still holds. I should have thought that Scottish National party Members, as well as Conservative Members, would have been keen at the outset to deal with the most substantive issue relating to the Scotland Bill and its consequences for the rest of the United Kingdom. The reason why the hon. Member for Banff and Buchan (Mr. Salmond) does not care about the West Lothian question is that it has an impact on England—the attitude is, "I'm all right, Jock." We have a problem with Scottish Members if that is their attitude and if they are not prepared to consider the Bill's impact on the people of England.

Mr. Deputy Speaker: Order. The hon. Gentleman is talking about the merits of the Bill, but we are not considering the Bill's merits—we are considering the Scotland Bill programme.

Mr. St. Aubyn: I am again grateful to you, Mr. Deputy Speaker. I ask one further question, which I think will

have some impact on how hon. Members vote on the motion. Who will be involved in the debate? Will the Prime Minister—who was educated in Scotland and now claims to represent the whole United Kingdom—come to the Dispatch Box during the six-and-a-half-hour debate to explain his position on the West Lothian question?

Mr. Deputy Speaker: Order. That has nothing to do with the matter before us.

7.32 pm

The President of the Council and Leader of the House of Commons (Mrs. Ann Taylor): I had thought that the motion was sufficiently self-explanatory not to need much of an introduction. The hon. Member for Guildford (Mr. St. Aubyn) is new to the House, so he may not fully have understood the procedure. As you rightly pointed out, Mr. Deputy Speaker, the motion is narrow and specific.

For the benefit of those who have not fully kept up to date with what is happening in the House, I should give some background to the original motion. On Second Reading of the Scotland Bill, the House agreed, without a Division—I think that my memory is correct—that there should be a programme motion. The programme motion is a new procedure recommended by the Modernisation Committee to facilitate the pacing of debates, so that all parts of a Bill can be debated, which is not always what happens when we follow the alternative method of allocating time—a guillotine motion.

Conservative Members may care to reflect on the fact that that programme motion was tabled not only in my name, but in the names of the shadow Leader of the House, of the Liberal Democrat spokesman and of the hon. Member for Banff and Buchan (Mr. Salmond). There was cross-party agreement on how the Bill should be handled.

The motion is narrow and details some aspects of how that agreement should be carried out in practice. As I had to tell the hon. Member for Guildford, it does not allow for an extra six and a half hours. Programme motions are experimental—the Modernisation Committee recommended that the House should try that new way of working. As we have said, we shall learn as we go on and ensure that the system works as well as possible.

Programme motions involve the establishment of a Business Committee, to work out how best to deal with the pacing of debates. An issue that has arisen on one or two occasions when a Bill has been programmed is whether—when debate is curtailed because of a statement or, indeed, because the Opposition have tabled a private notice question, as they did today—there should be injury time for the time that is lost. The motion simply ensures that, if time is taken because of a statement—we do not intend to have statements on these days, but something might crop up that requires one to be made—or because of a private notice question that is accepted by Madam Speaker, the time for consideration of the Scotland Bill will be protected. The motion provides for injury time, which I believe is for the convenience of the House.

That approach was agreed through the usual channels. If Conservative Back Benchers have any problems with that, or with other matters that are not as relevant, they should have consulted Conservative Front Benchers.

7.36 pm

Mr. Alex Salmond (Banff and Buchan): As an example to everyone else, I shall be very brief. The hon. Member for Guildford (Mr. St. Aubyn) has complained at length about a request that was made jointly by the parties, including the Conservative party. Some would argue that he has taken up the time of the House unnecessarily in making such a complaint, but I do not take that view, as I have been wondering about Conservative Back Benchers' fascination with the six and a half hours. It came to me in a blinding flash that the reason why Conservative Back Benchers are fascinated with the figure of six and a half is that that is exactly the opinion poll rating of the Tory party as reported in yesterday's *Daily Record*.

In the unlikely event that the contribution of the hon. Member for Guildford is broadcast in Scotland, many people may think that 6.5 per cent. is too high a rating for the Conservatives, given their attitude to the Bill and to Scottish matters in general.

7.37 pm

Mr. Eric Forth (Bromley and Chislehurst): I welcome the motion, although I regret the fact that the Leader of the House did not see fit to open the debate to explain the nature of the proposal. It is all very well for her to say that the motion is self-explanatory, but has the House of Commons fallen so low that hon. Members are now expected simply to glance at an item of business on the Order Paper—business for which debate is allowed until 10 pm, as you well know, Mr. Deputy Speaker—and say, without even the courtesy of an explanation from the Leader of the House, "Well, that's all right then"?

Admittedly, the right hon. Lady has—in response to the initiation of the debate by my hon. Friend the Member for Guildford (Mr. St. Aubyn), which I welcome—given some explanation of what is on the Order Paper. However, her explanation seemed largely to consist of her saying that, because something called the usual channels have agreed on something, it must be all right. I do not share that view. The usual channels, whatever they are, may have a key role to play, but I hope that hon. Members can have a look-in occasionally, too.

The right hon. Lady seems surprised that Conservative Members want to participate in the debate. The fact that a number of hon. Members want to do so may be old-fashioned, for all I know. Perhaps I have not caught up with the modernisation of the House, or perhaps modernisation means that we should no longer bother to participate in debates.

I believe that you, Mr. Deputy Speaker, as a stout defender of the House and of Back Benchers' rights, would want to encourage us to debate the motion. You would not expect hon. Members, such as my hon. Friends, who are widely involved in the business of the House, simply to accept that because an unexplained item is on the Order Paper, and because something called the usual channels have agreed to it, it must necessarily be all right. We want to spend just a little time this evening exploring the implications of the motion. The right hon. Lady has been at great pains to say that there is no extra time available—as if extra time was some sort of crime; as if the Government were ashamed of any concession over time.

Mrs. Ann Taylor: The right hon. Gentleman knows that I have a great deal of respect for him, which has

[Mrs. Ann Taylor]

lasted for many years. We have crossed swords on education matters on many occasions. It is always a joy to listen to him and a pleasure to look at his colourful appearance. Therefore, I am happy to spend time doing that this evening. However, I would hate him to be under any misapprehension about what I was saying. We shall give extra time if it is necessary. This is a pragmatic motion—it is about injury time, not extra time. It might be a fine distinction, but the motion is intended simply to ensure that if there is a statement or a private notice question, time will not be lost. I am glad to have the right hon. Gentleman's support, but I would not like him inadvertently to mislead people about the motion.

Mr. Forth: I am grateful to the right hon. Lady. Indeed, she is demonstrating the point of the debate. I said something that inadvertently has given the wrong impression, and the right hon. Lady has kindly and courteously corrected me. That is the point of the debate. Already, we understand more than we did a short time ago about the nature of the motion and what lies behind it. We are trying to obtain just that sort of clarification.

I hope that the right hon. Lady agrees that she may be setting an important precedent in the light of what happened today. I know that you, Mr. Deputy Speaker, said that we must not discuss that, but it must be at the back of our minds, because an important debate was squeezed out by a combination of parliamentary events. We are now being assured, which I welcome, that there will be a fresh approach to these matters, as exemplified in the programme motion. It will allow the House to deal with PNQs and other genuinely urgent matters secure in the knowledge that injury time is safeguarded for the important debate that will follow. That is what is important about the motion. I hope that when the right hon. Lady replies to this short debate—

Mr. Leigh: If what my right hon. Friend proposes is accepted by the House, hon. Members may be secure in the knowledge of the length of time of a debate, but they may be insecure in the knowledge of when a vote might take place. As most new Labour Members of Parliament seem to be more interested in votes than in taking part in debates, they may not view my right hon. Friend's proposal with satisfaction.

Mr. Forth: My hon. Friend makes a good point, but we shall never know the answer, because there are hardly any Labour Members in the Chamber. Indeed, there is only one Back Bencher, the distinguished hon. Member for Glasgow, Baillieston (Mr. Wray). I await his contribution with eager anticipation. He may want to take this opportunity to answer the point made by my hon. Friend the Member for Gainsborough (Mr. Leigh). I cannot answer on behalf of Labour Members of Parliament, and I would not want to do so. Nevertheless, it is an interesting point. Perhaps the Leader of the House will speak on behalf of the Labour party when she replies to the debate.

I have one important reservation about the motion, which arises from the fact that the right hon. Lady—if I heard her correctly—said that if we agreed the motion tonight, some mysterious Committee would meet next week to decide what would be debated during the allocation of time. That is both good and bad news. The bad news is that we are expected to vote on the motion without knowing to what use the allocation of time will be put—

Mrs. Taylor: I intervene in the hope that I may clarify the issue and, perhaps, jog the right hon. Gentleman's memory. He referred to a mysterious Committee. I remember when he and I served on an education Bill, which was the subject of a guillotine, and he was a member of the Business Committee at that time. I may be wrong—it may have been one of his colleagues. However, Business Committees are no new process. They are not mysterious. As a former Minister, he probably knows that; he just needs to probe the recesses of his mind.

Mr. Forth: I am grateful, as ever, to the right hon. Lady. Perhaps, in the spirit of modernisation and openness, she would agree to cameras being allowed into the Committee to witness its proceedings, so that we can all share in the debate. I leave that thought with her.

I welcome the fact that the debate this evening could, if it was what hon. Members wanted—

Mr. James Wallace (Orkney and Shetland): As a member of the mysterious Business Committee, I assure the right hon. Gentleman that the views of his party are well represented by the Conservative Members who serve on that Committee. The first day of the Report stage will deal almost entirely with new clause 1, which relates to the important West Lothian question. That is a sign of how sensitive the Business Committee is to the need of the Conservative party to express itself.

Mr. Forth: I am mystified. How does the hon. and learned Gentleman know what the Committee will decide? Are we not getting a little ahead of ourselves? I thought that the Leader of the House said that following this debate—

Mrs. Taylor: I said that following the programme motion that we passed some time ago, a Business Committee was established. That Committee has been sitting and has dealt with all of the Committee stage of the Bill. I am sorry that the right hon. Gentleman has not been able to follow the proceedings, to which he did not object.

Mr. Forth: We now know that the Business Committee will not pay any attention to tonight's debate. I had intended to welcome the fact that that mysterious Committee might pay some attention to what has been said tonight and respect the views of those hon. Members who have taken the trouble to be present. It now appears that the Committee works in isolation and will pay no attention to what has been said. Indeed, it may already have made its decision.

Mrs. Taylor: Again, the right hon. Gentleman is misleading himself about the motion. It has nothing to do with the subjects that will be debated during the remaining time on the Scotland Bill; it is simply about the time that is allocated and the fact that there will be injury time. The House has already agreed—and the right hon. Gentleman has already agreed—that the Business Committee should deal with the question of the subjects to be debated.

I am sorry that the right hon. Gentleman cannot follow these procedures. Obviously, he has not read the Order Paper on the days when we have debated devolution. Had he done so, he would have seen everything set out on each day. Members of all parties serve on the Business Committee and they decide how much of the time that the House allocates is then allocated to each subject. This motion is about how much time the House allocates. We are talking only about injury time.

Mr. Forth: I am grateful to the right hon. Lady for trying to clarify the matter, but she has not totally succeeded. I am not certain whether the Business Committee has already met and decided the subjects to be debated—even though we are now being asked to provide injury time and the Committee has not been able to take account of that—or whether the Committee has yet to meet and make a decision on the subject matters for debate, following the decision that the House may make tonight.

Mr. Wallace: The right hon. Gentleman should know that the Business Committee met regularly during the Committee stage of the Bill and used a timetable which generally, if not entirely, satisfied all sections of the House. He may recall that the first day of Report stage was due last week, but because of the important emergency business relating to Northern Ireland, it was postponed to this coming week.

Although the Business Committee has not yet met to discuss the Bill's Report stage, the right hon. Gentleman will well know that, through the usual channels, hon. Members have indicated to members of the Business Committee that Conservative Members wish to have a full day's debate on the West Lothian question. It will be a matter for the Business Committee to affirm or not to affirm such a debate. Nevertheless, Conservative Members have expressed strong views on the matter. If the right hon. Gentleman is saying that Conservative Members do not want such a debate and that they would like to make even more progress on the Bill, I am sure that the Business Committee will consider that view, which is unlike the view expressed in informal discussions by his representatives on the Business Committee.

Mr. Forth: I am grateful to the hon. and learned Gentleman, who has now clarified the matter to my satisfaction. He implied earlier that the decision had been made, but he is now telling us that it has not been made. I welcome that statement, which suggests that if Conservative Members would like to say in this brief debate how they think the Business Committee should make its decision, they will have an opportunity to do so. I do not want to do that—

Mr. Deputy Speaker: Order. We have already dealt with the Business Committee, and I should have stopped further mention of it earlier. As the Leader of the House said, the Business Committee was established under a previous order, and we are debating only the motion on today's Order Paper.

Mr. Forth: As ever, Mr. Deputy Speaker, I am grateful to you for your guidance, and shall endeavour to adhere to it.

Mr. St. Aubyn: For some hon. Members, the question whether the West Lothian question will be debated for six and a half hours is germane to deciding whether we support the motion.

Mr. Deputy Speaker: Order. That is not a matter for me or for the House, as we are debating a programme motion. The hon. Gentleman will have to speak with Opposition Front Benchers, to determine whether that matter is included in the programme. We cannot have any assurances on that matter in this debate.

Mr. Forth: I shall bring my remarks to an end. However, I hope that this debate has made an important point—that such motions are legitimate matters for debate and should not be nodded through simply because the great and the good have decided or predisposed of them. We have achieved in the debate some clarification of the background of the matter and of the reasoning behind it. We have also drawn out—albeit, Mr. Deputy Speaker, with your great patience and understanding—the nature and existence of one of the Committees that guide our lives and destinies. The exercise has therefore been useful.

I can therefore support the motion on the Order Paper. I also hope that, on future occasions, we can have such debates and clarifications. I very much welcome the interventions by the hon. and learned Member for Orkney and Shetland (Mr. Wallace) and by the Leader of the House. They have given us ordinary mortals in the background just a glimpse into the corridors of power.

7.52 pm

Mr. Gerald Howarth (Aldershot): The House should be extremely grateful to my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) and to my hon. Friend the Member for Guildford (Mr. St. Aubyn) for taking this opportunity to clarify an important issue.

It is disappointing to us all that the Leader of the House did not seize the opportunity at the start of this debate to advise us of the intention behind the motion. Had she done so at the beginning of the debate, rather than in a few interventions in the speech of my right hon. Friend the Member for Bromley and Chislehurst—who was very forgiving in allowing her to intervene—we would have been able earlier to establish the truth, even if we are still unclear about the precise difference between injury time and extra time. I tell the right hon. Lady—in case she should seek to misrepresent me—that, although I realise that there is injury time and extra time in football matches, both provisions result in the game continuing rather longer than it might otherwise have done. However, that is perhaps a slightly semantic point.

Although the point dealt with in this debate may be narrow, it is one of principle. The Leader of the House said that the motion arises partly from the proceedings of the Select Committee on Modernisation of the House of Commons, and that it has been agreed—in mysterious conversations through the usual channels—that the programme for the Scotland Bill will be adjusted to provide a guaranteed six and a half hours of debate on each day of the Bill's Report stage, which I welcome.

[Mr. Gerald Howarth]

I am sure that Conservative Members in the Chamber will welcome the fact that the Government have agreed to change the timetable on that important Bill.

This debate is a good example of why we need the type of change in programme heralded by the motion. I know that you ruled that some matters mentioned earlier in the debate should not have been so mentioned, Mr. Deputy Speaker. However, today's debate on economic and monetary union was similar to our debates during the Scotland Bill's Committee stage, in that proper time was not allowed to debate a matter of grave importance to the future of these islands. I argue that the people of Britain and hon. Members were not given—

Mr. Deputy Speaker: Order. I will not allow the hon. Gentleman to talk about an earlier debate. If he is concerned about that debate, he can express those concerns at another time. He must speak to the Scotland Bill programme.

Mr. Howarth: Mr. Deputy Speaker, I am grateful for your guidance, and understand the point that you are making. I am trying to make the point that there are good grounds for the Leader of the House to table the motion. I hope that she will consider extending the principle underlying the motion to other matters, so that our debates on other important issues will not be truncated within the narrow confines of a 7 o'clock or 10 o'clock motion.

The hon. Member for Banff and Buchan (Mr. Salmond)—who has now disappeared—came into the Chamber only to make a quick comic point. Perhaps that shows his party's—*[Interruption.]* The Leader of the House says that that is a good point. She is right to think that it is a good point for the Conservative party—*[Interruption.]*—but she should be absolutely clear about the fact that, in elections to the Scottish Parliament, the Labour party will be defeated at the hands of the separatists.

Mr. Deputy Speaker: Order. The hon. Gentleman is straying from the business before us. He must not do that.

Mr. Howarth: I give way to my hon. Friend the Member for Gainsborough (Mr. Leigh).

Mr. Leigh: My hon. Friend, like almost everyone who has spoken in this debate, seems to accept that the motion is a good thing. There seems to be a consensus that all those Bills should be guillotined, and that all those meetings are frightfully cosy, when everything is agreed. I do not accept that. I return to my original point, which I made in an intervention on—

Mr. Deputy Speaker: Order. The motion deals not with a guillotine but with varying the programme. The hon. Gentleman is therefore misinformed, but will perhaps know when to comment on that matter. I tell the hon. Member for Aldershot (Mr. Howarth) that we cannot have repetition of earlier speeches.

Mr. Howarth: Mr. Deputy Speaker, I do not intend to repeat verbatim points made by my hon. Friends, but I intend to repeat some of the arguments, which are forceful. We are faced with this motion today simply because, on 4 March 1998—I am sure that the Leader of the House will correct me if I am wrong—in dealing with the West Lothian question in our debate on the Scotland Bill, we had precisely 50 minutes—

Mr. Deputy Speaker: Order. I will not allow that matter to be raised in a debate on a very specific motion. The hon. Gentleman cannot deal with earlier debates. As I said, the West Lothian question has nothing to do with the matter before us. We are debating a programme, and nothing else.

Mr. Howarth: I entirely accept that, but the motion suggests that we change our procedures in respect of a particular Bill in order to ensure that the debate continues for six and a half hours.

Mr. Deputy Speaker: Order. It is not a good thing for the Deputy Speaker to be on his feet all the time. The motion is to vary the programme, not to change procedure.

Mr. Howarth: I apologise for the fact that you are on your feet once again, Mr. Deputy Speaker, but I am quite sure that you will appreciate the exercise. You do a very sedentary job and, if I can assist in giving you some exercise, that must be a good thing.

The motion may not vary procedure, but it seeks to vary the programme. In welcoming it, is it not reasonable to allude to why it has come about? We are not debating the motion in a vacuum. It has not alighted on the House from the ether. It has resulted from a specific problem that arose in Committee. I shall not repeat it, as you have asked me not to, Mr. Deputy Speaker.

In an intervention on my right hon. Friend the Member for Bromley and Chislehurst, my hon. Friend the Member for Gainsborough said that he did not think that six and a half hours would be long enough, and I agree. In welcoming the motion, I believe that the Leader of the House responded to my right hon. Friend the Member for Huntingdon (Mr. Major), when, on 4 March, he referred to the utter unacceptability of the fact that the time permitted to discuss perhaps the most crucial and central part of the Bill had been limited to 50 minutes. Therefore, I welcome the fact that we are to have six and a half hours of guaranteed debate.

I agree with my hon. Friend the Member for Gainsborough that the issue is so important that six and a half hours is not long enough to debate it. I understand that the usual channels have agreed on the motion, but the issue is of such fundamental importance to the United Kingdom that it deserves more time. Perhaps the Leader of the House will consider giving us even longer to debate it. Given what my hon. Friend said about the Irish question in the last century and previous debates on devolution under former Labour Governments, it is right and proper that we should devote more time to it. I invite the Leader of the House to listen to the representations that have been made and perhaps to go back to the usual channels and seek to extend the debate beyond six and a half hours.

8.2 pm

Dr. Julian Lewis (New Forest, East): When I first had the idea of making a brief contribution to the debate, I was under the impression that what was proposed in the motion was a thoroughly good thing. Indeed, I was on the point of congratulating the usual channels and welcoming the fact that, apparently, the Government had listened to representations from the Conservative Front-Bench spokesmen about varying the programme. However, as a result of some of the speeches by my right hon. and hon. Friends, I have become somewhat more concerned.

As you have pointed out, Mr. Deputy Speaker, we are not in danger of varying the procedures; but we are in danger of setting a precedent. I should like to know—I invite the Leader of the House to intervene and enlighten me—on what basis such variations are made in respect of the Bill and, potentially, in future.

Sir Robert Smith (West Aberdeenshire and Kincardine): We had already done that when previous debates on the Scotland Bill continued after 10 o'clock to take account of earlier business that had disrupted the proceedings.

Dr. Lewis: Yes, but, with respect, the hon. Gentleman is not taking full account of the fact that, as the Leader of the House pointed out, we are talking about a fairly new process—injury time—when, in effect, the clock is stopped if there is a ministerial statement or a private notice question such as we had this afternoon.

I am worried by the fact that the Leader of the House said earlier that it was an emanation of the lucubrations of the Modernisation Committee. We are all aware that the Modernisation Committee is engaged in a number of contentious activities, including ways in which the voting procedure could be changed. In the light of the comments by my hon. Friend the Member for Gainsborough (Mr. Leigh) about the dislocation that such variation would introduce into the voting times, it could be part of a programme to ensure that voting systems were changed and we no longer had to be present for a vote.

Mr. Deputy Speaker: Order. The hon. Gentleman is way beyond the scope of the motion.

Dr. Lewis: I am very concerned to hear that.

Mr. Deputy Speaker: The hon. Gentleman need not be concerned. I am here to guide hon. Members.

Dr. Lewis: Indeed. As a new Member, I very much value that guidance.

My concern is that, in having to decide whether to support the proposed variation, my vote—if there is to be a vote—should not be deemed to set a precedent that could then be used to have knock-on effects on the procedures of the House that many of us would regard as quite deplorable. However, I am happy to leave that aside.

Mr. Andrew Stunell (Hazel Grove): The New forest is a wonderful place, but it appears that one of the horses has got out. The procedures that we are following this evening were approved in a debate of the whole House without Division. Their implementation this evening has the agreement of representatives of all parties.

Dr. Lewis: I welcome that intervention, if only to have the opportunity of endorsing what a wonderful place the New forest is. I wish that Liberal Democrat Members, when they want to indulge in rather puerile insults, would at least think of original ones rather than copying an occasional diarist in *The Times*.

In trying to assess how to respond to the proposals this evening, we need to be aware of their full implications and consider whether the Government will use what happens tonight to say, "You did not oppose it on that occasion; therefore, you have no grounds for opposing it now," on some future occasion when the implications for the procedures of the House have become clear.

Mr. Forth: Will my hon. Friend consider the point that, simply because something was agreed by the House some time ago, even without a vote, that does not mean that the House cannot take a different view now because circumstances have changed, time has moved on and the debate has developed? Does he agree that we are hearing a rather alarming argument from the Government and from the Liberal Democrats that, if something was agreed some time ago, it is set in concrete and can never be varied, not even by the House itself?

Dr. Lewis: Yes; furthermore, I am emboldened by that intervention from my right hon. Friend, who has been in the House so much longer than I have, to say what crossed my mind during the intervention by the hon. Member for Hazel Grove (Mr. Stunell). I was not aware that, if something has been agreed without dispute by a Committee of the whole House from which an hon. Member such as me was absent, I am therefore forbidden to raise the issue during a debate on a serious issue which can have knock-on effects on the procedures of the House. I am concerned that, as the maxim says, hard cases make bad law. In this case, soft precedents make useful precedents for the Government to put leverage on the Opposition to accept procedures that we consider unacceptable. It is rather strange that the Government should have given way on an issue that suits them when, as we have seen previously—

Mr. Deputy Speaker: Order. This item is far too narrow for the hon. Gentleman to concern himself with what might happen. He must stick to the matter before the House—the motion relating to the programme for the Scotland Bill. He should not worry about what might happen in future.

Dr. Lewis: I am extremely grateful, as always, for that guidance, Mr. Deputy Speaker. I have sufficiently made my point about what might happen in the future. It is the events of the very recent past—this afternoon—that put doubts into the minds of hon. Members. A debate on an important matter—I will not discuss its subject now—which was scheduled to last for three and a half hours lost one and a quarter of those hours. Even my arithmetic shows that in one hour and a quarter, with the 10-minutes rule operating, seven or eight more hon. Members would have been able to take part in the debate.

We can conclude from the fact that the Government are willing to give injury time on this issue that they clearly regard it as more important to confer powers on the new Scottish Parliament than to debate Westminster's loss of powers to Brussels, as we wanted to do in the truncated debate this afternoon.

8.10 pm

Mr. Donald Gorrie (Edinburgh, West): I found the past hour remarkably educational. As I understand it, the House agreed that it should spent three days on Report and Third Reading of the Bill and that the debate would end at 10 o'clock. The Government are now saying that, if there is a statement or the debates take place on a Thursday when the Leader of the House answers questions, that time will be made up. All that we are discussing today is whether there will be three debates that are guaranteed to last six and a half hours or whether on one or more of those days the debate may last only five and a half hours or four and a half hours.

The measure is an admirable concept, which I hope will be extended in future timetables for Bills, so that they are not adversely affected by extraneous events. That is a simple, straightforward and honourable concept, which I am happy to endorse.

8.12 pm

Mr. Edward Leigh (Gainsborough): I have one brief point to make. At first sight, this may seem to be an entirely innocuous motion to vary the programme of a particular Bill. It sets a dangerous precedent—it packages Parliament. In the past, the Opposition's one weapon was time. Again and again, in the great debates of history—on Irish Bills, reform Bills and many others—Oppositions spent days and weeks debating. The Government are tightly packaging Parliament with a nice pink ribbon so that everything is agreed beforehand and debates have a set duration and finish at a set time. That is all very cosy and nothing ever changes. The Government, of course, win every vote and the Opposition cannot even delay proceedings. Hon. Members who are not present and the public should be very concerned.

8.13 pm

Mrs. Ann Taylor: The past hour has been very interesting and I give the debate full marks for entertainment. The hon. Member for Edinburgh, West (Mr. Gorrie) said that this had been an educational exercise. He seemed to have no difficulty in understanding the measure, so it seems that it is Conservative Members who need educating. It was interesting to hear the hon. Member for Gainsborough (Mr. Leigh) complaining that the Opposition needed more time, when the purpose of the motion is to provide more time, or a guaranteed time if necessary.

I recommend that hon. Members read the Order Paper, which the Modernisation Committee made easier to read. If hon. Members had done a little homework before they came into the Chamber, or had read the precise wording of the motion, they could immediately have set aside their doubts and they would have found our intentions as easy to understand as did Liberal Democrat Members.

Question put and agreed to.

Ordered,

That the Order [13th January] relating to Scotland Bill (Programme) be further amended—

(a) in paragraph 2, by leaving out 'at Ten o'clock' and inserting 'six and a half hours after the commencement of proceedings on the Bill';

(b) by inserting, after paragraph 2,—

'2A. On each such allotted day paragraph (1) of Standing Order No. 15 (Exempted business) shall apply to proceedings on the bill for any part of the period of six and a half hours after the commencement of proceedings on the Bill which falls after Ten o'clock';

and

(c) in paragraph 4, by inserting after sub-paragraph (3)—

'(3A) If, on consideration, two or more Questions would fall to be put under sub-paragraph (1)(c) on amendments moved or motions made by a Minister of the Crown, the Speaker shall instead put a single Question in relation to those amendments or motions'.

SCOTTISH GRAND COMMITTEE

Ordered,

That the Scottish Grand Committee shall meet—

(1) on Wednesday 20th May at half-past Four o'clock at Westminster to consider a substantive motion for the adjournment of the Committee, the proceedings to be interrupted at Seven o'clock;

(2) on Tuesday 16th June at half-past Ten o'clock at Westminster to consider a substantive motion for the adjournment of the Committee;

(3) on Monday 6th July at half-past Ten o'clock at New Parliament House, Edinburgh, to take Questions for oral answer and to consider a substantive motion for the adjournment of the Committee; and

(4) on Tuesday 14th July at half-past Ten o'clock at Westminster to consider a substantive motion for the adjournment of the Committee.—*[Mr. Betts.]*

PETITION

Building in the Countryside

8.14 pm

Mr. David Amess (Southend, West): Although my constituency is urban, it is surrounded by the beautiful Essex countryside. My constituents are very concerned that the Government should do everything possible to preserve the countryside and its traditional way of life. The petition has been signed by many local residents in Belfairs, Blenheim, Chalkwell, Eastwood, Leigh-on-Sea, Prittlewell and Westborough.

The petition of the residents of Southend, West declares:

that we are concerned about the decisions to sanction plans for new development throughout the countryside.

The Petitioners therefore request that the House of Commons urge the Secretary of State for the Environment, Transport and the Regions to ensure that more homes are built in city areas, instead of the countryside or Green Belt, to breathe new life into our cities and to protect valuable countryside for future generations.

To lie upon the Table.

Battle Fire Station

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Betts.]*

8.16 pm

Mr. Charles Wardle (Bexhill and Battle): I am grateful for this opportunity to help clear up the confusion and misapprehension that have surrounded the proposals of East Sussex fire authority for staffing changes at Battle fire station in my constituency.

The proposals were put to the fire authority by the chief fire officer in early February and met with approval from a clear majority of the members. Arrangements were then made for the normal statutory process of consultation. The proposals, which have not been opposed by the Fire Brigades Union and are actively welcomed by Battle's retained firefighters, do not call for any cut in the number of appliances at Battle or any reduction in fire cover and will actively strengthen road traffic accident emergency response throughout East Sussex. Nevertheless, they have been the subject of a persistent, ill-informed, alarmist campaign of protest which has wrongly implied that the fire station will be closed, creating needless doubts and insecurity in the minds of anxious local residents.

Before I describe the proposed changes and ask the House to consider what lies behind the muddled—if not downright misleading—protest campaign that has been organised, mainly by a local paper, I should like to pay tribute to the fire service nationally. The 50,000 whole-time uniformed staff, control room personnel, retained firefighters and the officers in every brigade perform a most demanding job with professionalism and courage. Together, they ensure that high standards of fire cover are always met. They embrace new technology where it can help operations, improve training competence whenever possible and do their utmost to enhance fire safety in the workplace and at home. As well as attending and dealing with fires, Britain's whole-time and retained firemen and women regularly undertake vital rescue work at the scene of road traffic accidents and other emergencies.

Four years ago, I had the responsibility for fire and emergency plans that the Minister has today. I congratulate him on having taken over those responsibilities. I feel sure that he and other right hon. and hon. Members agree that the fire service deserves our unreserved respect and admiration. The East Sussex fire authority, most ably chaired by Councillor Bill Clements, a retired police superintendent from Bexhill, covers East Sussex, Brighton and Hove. Like other fire authorities, it faces the constant challenge of the local authority spending constraints that the retiring chief inspector, Sir Bryan Collins, referred to in his report last year. No doubt his successor, Mr. Meldrum, with whom I also worked when he ran the West Midlands brigade, will be mindful of the same pressures, which this Government, like the previous one, have kept in place.

Although East Sussex fire authority spends 11 per cent. above the amount allocated by central Government and there is no cost-cutting imperative in the proposals, it needs constantly to strive for more efficient and effective deployment of the more than 400 whole-time and more than 300 retained firefighters at its 24 stations. Twelve of those stations are staffed entirely by retained firefighters, six in large towns, such as Brighton, Eastbourne and Hastings, are staffed by whole time, and the other six are day-crewed by whole time for the Monday to Friday day shift, with the remainder of the week covered by the retained.

On 5 February, the chief fire officer for East Sussex, Alan McCormack, submitted proposals to the authority to redeploy, without any loss of jobs, the nine whole-time firemen at Battle to other larger day-crewed stations in order to fill four retirement vacancies and to facilitate a better balanced four-by-four duty roster at Lewes, Bexhill, Newhaven, Crowborough and Uckfield. He proposed to add more recruits to the 13 retained firemen in Battle in order to provide a fully staffed team there, consisting entirely of retained firemen. He also undertook that Battle would keep its two existing appliances—fire engines to the layman—which is strictly one more than is required by Her Majesty's inspectors' standard of fire cover for the town and surrounding area. He further recommended that he be allowed to purchase the latest cutting and separating equipment for emergency road traffic accidents to be fitted to appliances at each of the 24 stations in the brigade.

The last recommendation was a huge step forward in road traffic accident support because, until then, only three of the stations had had such an operational service unit—one being Battle. With only three OSUs in the whole county, that has meant that the one at Battle has been in constant demand to respond to accidents outside the Battle area, thus depleting local cover for Battle whenever that one appliance has been on call further afield.

To summarise, the chief officer wants a set of emergency cutting and separating equipment at every station and a better working balance for the day crews in five larger towns, with Battle resuming its former wholly retained status. Pivotal to the last condition will be the ability to recruit extra retained staff at Battle, but one new firefighter has already been signed up, and the fire authority says that it has other volunteers ready to apply.

Having previously done the Minister's job, I never underestimate the problems nationally of retaining the retained, but in Battle today, the senior retained firefighter, Mr. Mike Dawes, is confident that the fire authority will not find it difficult to sign up additional recruits to the full complement of 18. If, for any reason, that assumption is wrong, the whole proposal will be undermined.

Whatever happens, there is no question of seeking any modification of existing standards of fire cover in the Battle area in terms of response times. As the House will know, the fire authority has a statutory obligation under the Fire Services Act 1947 to provide the fire cover laid down by Her Majesty's inspectors. In Battle, that means a response time of eight to 10 minutes in the centre of town, which represents 3 per cent. of the 12,000 hectares covered by the fire station, and 20 minutes in the rest of the area.

Until the early 1980s, Battle fire station operated under those same standards of fire cover with an entirely retained strength. At that point, flagging recruitment of the retained, which was by then a national problem, led to the introduction of 13 whole-time firefighters at Battle. That number was reduced to six in 1983, when more

[Mr. Charles Wardle]

retained firefighters came forward, but increased to nine in 1988, along with 13 retained firefighters who continued to work on the station.

All the nine whole-time staff now in Battle have given loyal service to the local community and deserve praise and thanks for what they and their 13 retained colleagues have done. Five of the whole-time officers have been in the town for more than two years, but four others were transferred, for one reason or another, from other parts of the country only relatively recently when vacancies occurred. All of them have worked conscientiously, although it has to be said that they have encouraged the disapproval of their union by working out of hours for extra money. They have done that by signing up on-call as retained staff out of their normal weekday shift hours. The FBU has posted a notice at the fire station warning its members that the practice contravenes union policy.

The level of call-outs during the Monday to Friday day shift from 9 am to 1 pm and 2 pm to 5 pm, staffed by the whole time, has fallen noticeably. In the first 12 weeks of this year, during the day shift, Battle fire station has responded to just one local FDR 1—which, as the Minister will know, is a fire reportable to the Home Office—four FDR 3s, or minor fires, two road traffic accidents and seven activated fire alarms where there was no fire. I understand that, on the same shift, there were eight other calls outside the Battle area. It is, of course, true that that pattern could change at any time, but, for the first three months of 1998, there has been little activity in the daytime on weekdays. Most of the fire calls in Battle have in fact occurred when the retained are on duty.

Significantly, FBU officials have indicated that they will not contest the chief officer's proposals that Battle returns to wholly retained status. Having chaired the Central Fire Brigades Advisory Council at the Home Office, I am acquainted with and have much respect for the FBU leadership. The operational sense of the better balanced four-by-four roster at other larger day-crewed stations appears to have been accepted by the whole brigade, but the union has rightly insisted on close scrutiny of the terms of transfer for each of the nine whole time in Battle who will be moving to other stations in the county. Management has fully complied with that.

Each of the nine whole time have been able to discuss their personal circumstances with Mr. Short, a senior officer from the Hastings division. I understand that eight of them have been offered acceptable posts elsewhere in East Sussex. The remaining one has made three applications to join the London fire brigade, but has not yet been successful. Where, then, is the gripe? With the experts more at less at one over the broad principle of the changes, what are the objections and why have they arisen?

In February, a number of constituents in Battle expressed their concern to me that the fire station was about to close. That view rapidly gained momentum among local residents, fearful that they would no longer be protected against the risk of fire. That false alarm arose from a "Save Battle Fire Station" campaign, launched by the *Observer* in Battle, one of two or three local newspapers sold in the town but published in St. Leonards on Sea.

Posters proclaiming "SOS—Save Battle Fire Station", depicting a fire engine over the newspaper's logo were distributed to local shops and pubs. The poster message was not "Save Our Nine Whole-Time Firemen From Transfer" or "Don't Allow Battle Fire Station to Revert Entirely to Retained Staffing", but simply, "Save Our Station". It is little wonder that many casual observers quickly assumed that the station was about to close. The newspaper now vehemently denies that its reporters ever mentioned closure, but successive editions were sprayed with the misleading poster illustration, and, on 13 February, it quoted on its front page a Liberal Democrat county councillor from Eastbourne saying:

"The chief issue here is the ultimate closure of Battle fire station".

On page five of the same edition, it quoted a local Liberal Democrat county councillor wrongly implying that Battle would lose cutting and separating equipment for road accidents.

My own explanatory press release was selectively used, and the editorial barrage that followed was acrimonious, but accuracy, distorted material and the public's right to know is for the Press Complaints Commission to monitor. What matters in this debate is that the editor collected 600 signatures from about 500 worried households for the SOS campaign, and a Robertsbridge resident organised a petition in the shops displaying the poster, which attracted several thousand signatures.

After consultations with the fire authority and the chief officer, I wrote to all the campaign signatories, as well as to the chamber of commerce and to other residents who had expressed fear and anxiety. The posters promptly disappeared from practically all the shops, but widespread uncertainty about fire cover and the ability of retained firemen to do as good a job as whole time continued to be fuelled by the on-going local press speculation.

At the public consultation meeting on 26 March in Battle, Councillor Clements set out the fire authority's proposals very clearly in his opening addresses. Not including the uniform fire brigade personnel, there were—perhaps—180 people present, which is equivalent to about 1.5 per cent. of the fire station area population. It was important that people could air their concerns as the legislation provides. Those who spoke included Liberal Democrat councillors, representatives of Battle town council and a fireman from the London fire brigade, as well as trade union activists from the Royal Mail and the ambulance service, one resident of Robertsbridge and two other residents from Battle.

Following the speeches, there was general acceptance from those in the hall that the fire station was not about to close, but doubts were stridently repeated about the ability of retained personnel to provide as prompt a response as the whole time and, therefore, to ensure equivalent safety. Questions were raised about the comparative lack of training and firefighting experience of retained staff, and other doubts were voiced about the prospect of finding more recruits for the retained in the face of the hostility over the fire station that had recently been engendered.

After the meeting, representatives of the retained told me that they felt badly bruised by the lack of confidence in them that was implicit in the sometimes rowdy and querulous meeting. Although the chief fire officer did his best, he was unable to assuage the overwhelming feeling in the hall that retained firefighters could not fully match

the training and performance of their whole-time colleagues. However, the retained now assure me that they are determined to fulfil the fire authority's plans and staff the station on their own, as they did for generations before 1980. They say that further recruits have been identified, and that there is a spirit of determination that these firefighting residents of Battle, who volunteer for such courageous duties, can and will do an excellent job.

The retained represent a lively cross-section of the Battle community. Mike Dawes has lived in the town all his life and runs a garden machinery service centre. His colleagues include a local auctioneer and valuer, two carpenters, a fork-lift truck driver, a picture shop owner, a plumbing and heating engineer, the manager of the local supermarket, two workers at the nearby gypsum mine, the manager of the local engineering company, a foundry worker, a garden maintenance contractor and one person between jobs.

These people bring a variety of important technical skills to the firefighting task. Together, they are the very strength of Battle's close-knit community. They take enormous pride in their work and the public rumpus created by the local newspaper's irresponsible and misleading campaign has only served to reinforce their resolve. However, it would be encouraging to Battle's own retained firefighters—and the local community as a whole—if the Minister could provide the House with an assurance this evening that the 15,000 retained firefighters across this country are fully trained and perform their tasks with the greatest competence, dedication, skill and bravery, and that they can be relied upon without question. It is helpful that the Home Office brochure "Opportunities as Retained Firefighters" emphasises that

"the training is excellent and really gives you confidence."

I am equally sure that the Minister's comments about unchanged standards of fire cover in what the fire authority is proposing for Battle—as well as his views about the value of 24 appliances across East Sussex having cutting and separating gear, and the benefits, too, in the five larger towns of a balanced day-crewed system—will be carefully heeded.

Before I conclude, I should draw the attention of the House to the latest attempt by the Battle *Observer* to add fuel to its "Save Battle Fire Station" campaign, which looks increasingly as if it is driven by the need to sell newspapers, regardless of the fears of readers. On 17 April, the paper ran a story under the headline "U-Turn over fire station", claiming that I had reversed the position I adopted over the fire station in 1995—when I defended the continued presence of the whole-time staff—and that my views had changed for no apparent reason.

As the fire authority will confirm, there is a world of difference between what the chief fire officer is proposing now and what was in contemplation in 1995—although even then I had to issue a press release, dousing the rumours that Battle fire station was about to close.

First, in 1995, one option considered was to reduce the number of appliances at Battle from two to one. There is now a firm undertaking to keep two appliances there. Secondly, in 1995, there was no sign of fresh recruits for the retained. Now, one has already signed up, and other local people have asked for application forms. Thirdly, in 1995 there was no proposal to equip all 24 stations with cutting and separating equipment.

Fourthly, in 1995, relations between the whole time and retained at Battle were amicable—as they had been for several years previously—but, in the recent past, tensions have grown. This is largely because of the publicity campaign by the Battle *Observer*. The retained have told me that they are no longer talking to their whole-time colleagues, which is a great pity and no way to run a fire station where the retained have always been in a majority anyway.

Fifthly, in 1995, there was no plan to redeploy the whole time to secure, useful jobs elsewhere in East Sussex. Sixthly, in 1995 the FBU's disapproval of the whole time working overtime as retained was not as formal and as explicit as it is now. Seventhly, since 1995, there has been a marked fall-off in fire calls on the day shift, such that, recently, one of the whole-time staff was admonished for using his spare time from duty rather too enterprisingly by cleaning windows at nearby buildings.

In contrast to the uncertainty that existed in 1995 about the fire authority's best way forward, the current proposals will ensure that fire cover in Battle is fully safeguarded. I know just how much this matters to local residents because my family lives in Battle. The proposals also allow for more efficient fire protection in several other towns, including Bexhill in my constituency, and they will enable a very significant advance in the response to road traffic accident emergencies throughout East Sussex.

To conclude, I do not expect the Minister to anticipate the formal decision of the fire authority—to be taken on 13 May—or the subsequent recommendation of Her Majesty's inspector to the Secretary of State under section 19 of the Fire Services Act. However, I can tell the House that Councillor Clements has advised me that the Conservative and Labour majority on the fire authority support the chief officer's plans. In the meanwhile, I hope that the Minister will agree that, while full public consultation and debate should always be encouraged, misleading publicity that allows local residents to assume that if a fire station needs to be saved, it is otherwise likely to close—when, in fact, nothing of the sort is contemplated—is to be deplored.

I shall always defend the right of the media, or any individual, to express differing points of view about a given subject. The House will agree that it would be a dull world if we all thought the same about everything. However, that is a far cry from a publicity campaign that fails to convey the detailed arguments about proposals designed to protect people's safety. There is disturbing evidence that the campaign has caused widespread fear and anxiety, particularly among the elderly. That is why I have been determined to present a balanced and detailed case for the proposed changes to allay the doubts and uncertainty felt by local residents.

I could have sidestepped the debate, saying it was a local authority matter. However, when my constituents express alarm, I never consider it a waste of time to put them fully in the picture. They can be absolutely confident that the retained staff in Battle will successfully maintain the proud tradition of firefighting at Battle fire station.

8.35 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): I must congratulate the hon. Member for Bexhill and Battle

[Mr. George Howarth]

(Mr. Wardle) on initiating this debate on Battle fire station. I am keenly aware of the sensitivities which inevitably surround any proposals to change the arrangements for providing fire cover. I thank the hon. Gentleman for giving me notice of the concerns he wanted to express in the debate.

We have good reason to be proud of the fire service in this country. The hon. Gentleman—as a former occupant of this post—will agree that it is a real privilege to work with a service which is so highly regarded. He made particular reference to the retained service and to the training of retained firefighters. I would like to pay tribute to retained firefighters, who perform a vital and cost-effective role in providing fire cover, particularly in the more rural areas.

The retained service does an excellent job. However, there is evidence of recruitment and retention difficulties in some parts of the country. It sounds as if a stable crew is stationed at Battle. In view of the importance of this matter, the Central Fire Brigades Advisory Council for England and Wales—which I chair, and which the hon. Gentleman has chaired in the past—asked Her Majesty's chief inspector of fire services, Mr. Meldrum, to consider the position in detail and he will report back in due course. Training is vital to the provision of an effective fire service. All firefighters—both whole time and retained—spend a proportion of their time in training.

The Central Fire Brigades Advisory Council has recently produced a framework document, entitled "Training for Competence", which shifts the emphasis of training from inputs to outcomes. It is based on national standards of competence which will for the first time, enable the training provided to all members of the fire service to be assessed against these standards. I hope that that is some reassurance to the hon. Gentleman. It is recognised that for the retained service, there are particular issues which will need to be addressed, but there is a commitment to ensure that the retained service remains well trained.

Last month, the Audit Commission published performance indicators for the fire service for 1996–97. The Commission stated that

"fire brigades continue to attend a high percentage of calls within attendance standards and improved their average between 1993–94 and 1996–97."

Overall, the service met recommended response times on 95 per cent. of occasions. East Sussex fire brigade managed a highly creditable 97 per cent.

The Government will build on this solid foundation, and we shall do so in close and effective partnership with fire service interests, fire authorities, trade unions, chief fire officers and other interested bodies. However, ensuring an efficient and effective fire service is not achieved by just standing still. Local authorities must have a weather eye to the principles of best value and look at standards of fire cover, fire safety and the structure and organisation of every service. Fire service interests are being fully consulted about options, and in June, we shall hold a seminar in partnership with the Local Government Association on "Working Together for Best Value".

In respect of the duties of fire authorities, the hon. Gentleman knows that statutory responsibility for providing an efficient fire service rests with the local fire authority, which, for Battle fire station, is the East Sussex combined fire authority. The fire authority must keep its fire cover provision under review, deploy its resources efficiently and set its budget at a level that allows it to discharge its statutory responsibilities.

The fire service legislation provides safeguards to ensure that statutory responsibilities continue to be met. Section 19(4) of the Fire Services Act 1947, to which the hon. Gentleman referred, requires that a fire authority cannot reduce the numbers of fire stations, appliances and firefighting posts without the express consent of my right hon. Friend the Home Secretary, who has a specific role in considering section 19 applications.

My right hon. Friend grants approval only if he is satisfied, first, that the proposals have been sufficiently widely publicised and are sufficiently detailed and that there is adequate time for any interested party to make representations; secondly, that the representations have been considered by the fire authority; and, thirdly, on the advice of Her Majesty's inspectorate of fire services, that national standards of fire cover will be maintained.

There is no statutory right of consultation, but the guidance makes it clear that the Home Secretary considers it to be desirable that there should be appropriate consultation and that he would take into account representations that are made directly to him.

East Sussex fire authority has been consulting on a proposal to change the status of Battle fire station from day-crewed to retained. Such a change would require my right hon. Friend's approval. The authority has yet to decide whether to make a section 19 application. The hon. Gentleman explained the circumstances of the matter. If an application is made, my right hon. Friend will give careful consideration to it and to representations that he receives. He will take advice from Her Majesty's inspectorate on implications for fire cover.

Levels of fire cover are determined locally and rest on four main standards of service, according to the risk category of the area, and assume for each category that a predetermined number of firefighting appliances must attend within a certain time. The standards are not only nationally recommended, but nationally agreed in the Central Fire Brigades Advisory Council, which is constituted under the 1947 Act. They were extensively reviewed in 1985, and all concerned know where they stand on the minimum level of service that should be delivered.

In 1995, the Audit Commission recommended another review of fire cover, but recognised that no fundamental change should be considered without careful research. A review of the standards is being taken forward by a joint committee of the Fire Brigades Advisory Councils for England and Wales and for Scotland. Its draft report will be discussed at forthcoming meetings of the advisory councils.

The hon. Gentleman mentioned budgets. The standard spending assessment in England for 1998–99 increased by £61.6 million, or 5 per cent. The settlements were 4.4 per cent. last year, and 1.5 per cent. and 0 per cent. in the previous two years. While the problems of funding that we have inherited cannot be resolved overnight, this settlement has recognised and responded to the fire

service's concerns. The fire standard spending assessment for East Sussex for 1998–99 has been increased by £1.1 million—6.2 per cent.—compared with 1997–98. That compares with increases of 5 per cent. last year, and of 2.6 per cent. and 1.7 per cent. in the previous two years.

Until a section 19 application is received from the fire authority, any Government comment on possible changes to fire cover at Battle fire station would be premature. Nevertheless, I repeat my assurance that in the event of a section 19 application, we would give careful consideration to any representations. The hon. Gentleman's observations would of course be taken into account. We shall reflect carefully on the issues before a decision is arrived at.

Question put and agreed to.

Adjourned accordingly at sixteen minutes to Nine o'clock.

House of Commons

Tuesday 5 May 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

ENVIRONMENT, TRANSPORT AND THE REGIONS

The Secretary of State was asked—

Council Tax

1. **Mr. Keith Simpson** (Mid-Norfolk): What has been the average change in council tax levels for 1998–99. [39503]

The Minister for Local Government and Housing (Ms Hilary Armstrong): The increase in council tax for the average household is 96p per week.

Mr. Simpson: I am grateful to the Minister for that information, which is meaningless to my constituents. Thanks to the Government's first local government finance award, £14 million has been taken out of the budget for Norfolk and the council tax has gone up by 16 per cent. For the people of Norfolk, that means new Labour, new taxes. What hope do the people of Norfolk have that things will get better next year?

Ms Armstrong: The increases in council tax this year reflect the changes that the previous Administration intended to introduce as part of the rebalancing of central and local taxation. Hon. Members will remember that, to get themselves out of the poll tax, the previous Administration put 2.5p on VAT and centralised local government spending enormously. They recognised that that was a mistake and began to amend it just before the election. We have continued that process and shall continue to set fair and meaningful taxes in our local government settlement next year.

Mr. Bill O'Brien (Normanton): My hon. Friend is right when she draws attention to the problems that she and her colleagues inherited from the previous Government. Does she agree that one of the problems inherited from the Tories was the width of the gap between local authority spending and the standard spending assessment allowed by the Government, which increased throughout the 18 years of Tory government? I hope that my hon. Friend will work to correct that error and to narrow—and eventually close—the gap between local government spending and assistance from Government.

Ms Armstrong: My hon. Friend will know that we are currently consulting on changes to local government finance and trying to make it fairer and better balanced. Local people need to know that they are getting the quality of services that they expect, at the price they are prepared to pay. Our settlement this year has begun to move us in that direction, but we must go further.

Sir Norman Fowler (Sutton Coldfield): Does the hon. Lady remember that, in the previous London elections, the electors of Croydon were promised that Labour would not raise the council tax? I have a copy of the pledge in my hand. Can she therefore explain why, this year, council tax in Croydon under Labour is going up by 11 per cent., and why, over the past four years, it has increased by 30 per cent?

Ms Armstrong: The right hon. Gentleman will also want to reflect on why his party, with the support of the hon. Member for Croydon, South (Mr. Ottaway), is telling the electorate that education is not a priority this year. The Conservatives are prepared to see the equivalent of two schools close in Croydon rather than allow relative rises in council tax to ensure the very best service provision. The council tax increase in Croydon this year reflects the decision that the Administration of which the right hon. Gentleman was a member made last year.

Sir Norman Fowler: I think that the phrase the hon. Lady is searching for is, "No, I can't explain it". That being so, can she at least explain why the 20 highest charging councils in England, from Liverpool to Greenwich, are under Labour control? Why does it cost an average of £300 a year more at band D to live under a Labour council in London than under a Conservative council?

Ms Armstrong: The right hon. Gentleman demonstrates that he has neither ears to hear nor nous to understand. I have explained the changes in Croydon. I do not know where the right hon. Gentleman has looked, but he will find that the top six increases in council tax have occurred in Tory areas.

Housing Benefit

2. **Mr. Austin Mitchell** (Great Grimsby): If he will end the system of paying housing benefit for council tenants out of housing revenue accounts. [39504]

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Nick Raynsford): Removing the cost of rent rebates for council tenants from housing revenue accounts would cost the taxpayer an extra £1.3 billion this year. We are considering housing finance as part of our comprehensive spending review and we expect to announce conclusions from the review in the summer.

Mr. Mitchell: I am sure that my hon. Friend agrees that the system of paying the housing benefit of council tenants from housing revenue accounts is inherently and monstrously unfair. It means that the poor are subsidising the poorest, it costs every working council house tenant £1,000 a year and it prevents a reduction in rents, which are higher than they otherwise would, or should, be.

I am sure that my hon. Friend—who is a fair man—agrees with me, so why will he not give a date for abolishing that monstrosity?

Mr. Raynsford: I have answered my hon. Friend's question by saying that we are considering these matters in the context of the comprehensive spending review. I put it to him that a consequence of simply ending the current arrangement would be windfall gains to areas of relatively low need and no help for areas of high need. That is why his proposal is not on. Abolishing the current arrangement would provide a benefit of more than £1,000 per dwelling per year in Guildford, but no benefit whatsoever in Manchester. That cannot be right.

Mr. Simon Hughes (Southwark, North and Bermondsey): I support the hon. Member for Great Grimsby (Mr. Mitchell) and stress that this is not a party political matter. Council tenants are furious that the system penalises them and that they must subsidise an unrelated issue: housing benefit. It is not a matter of whether the subsidies differ between authorities; it is whether individuals pay for the services they receive or pay for others to receive services that are unrelated to them.

Mr. Raynsford: I am rather surprised that the hon. Gentleman has raised that issue because the suggestion made by my hon. Friend the Member for Great Grimsby (Mr. Mitchell)—which the hon. Gentleman supports—would not benefit his tenants in Southwark, but there would be an immediate benefit in Wokingham of £970 a year. That cannot be right or equitable.

London Government

3. **Mr. Andrew Dismore** (Hendon): What action he plans to take to encourage Londoners to vote in the referendum on 7 May. [39505]

4. **Ms Karen Buck** (Regent's Park and Kensington, North): If he will make a statement on his Department's role in publicising the arrangements for the London referendum. [39506]

The Secretary of State for the Environment, Transport and the Regions (Mr. John Prescott): My Department has mounted an extensive public information campaign to ensure that the people of London are fully informed about our proposals for a mayor and assembly for London and to encourage them to vote yes or no on 7 May. This has included posters, radio and newspaper advertisements, a neutral leaflet through every letter box in the capital, an internet site and a telephone helpline, which to date has answered well over 10,000 calls.

Mr. Dismore: Does my right hon. Friend agree that it is extremely important that as many people as possible vote on Thursday and that they vote yes for a London government committed to looking after London Transport, economic regeneration and the police and fire services in London? Does he also agree that the Conservatives' late support for the plan is a welcome, but tardy conversion to democracy throughout London?

Mr. Prescott: I agree, and hope that the people will vote yes in the referendum. I welcome the support of hon. Members on both sides of the House for the proposal. We want as many people as possible to vote. I shall not be churlish and criticise yet another U-turn by Conservative Members.

Ms Buck: Is my right hon. Friend aware that many black and ethnic minority Londoners feel that their situation has worsened considerably in the 12 years since the previous Londonwide authority was abolished? Will he congratulate Operation Black Vote on its work to encourage black Londoners to participate in the referendum on Thursday and send a message to black and ethnic minority Londoners that a mayor and an assembly would strengthen their representation citywide?

Mr. Prescott: It is important to congratulate those who have encouraged people, especially the ethnic minorities, to vote. We have produced a leaflet that summarises the proposals. Copies had been distributed to 3 million homes across the capital at the end of March. It has played its part, along with advertisements in newspapers and on radio stations. I hope that everyone will vote and that the referendum proposals are endorsed.

Sir Sydney Chapman (Chipping Barnet): Is the Deputy Prime Minister aware that in my extensive canvassing for the forthcoming London borough elections, few of my constituents have remarked on the referendum? The few who have greatly resent not being asked separate questions on whether they want a Greater London authority and separately elected mayor and the lumping together of those issues in one question, in spite of the warning given by Conservative Members. On reflection, does he think that he is listening to the people of London by putting the omnibus question?

Mr. Prescott: In my canvassing in London, I have found that Londoners welcome the opportunity to participate in the vote. They are being given a chance, by a Labour Government, at least to have a say in whether they should have local government, which was denied them when the previous Government abolished the Greater London council.

Mr. Paul Burstow (Sutton and Cheam): Does the right hon. Gentleman agree that we need a high turnout and a strong yes vote in the referendum on Thursday to give the new authority the clout to do its job? Will he accept that, by refusing a two-question referendum, the Labour party has stifled debate that would have guaranteed a high turnout? Labour will reap its reward, which will be a feeble result and an enfeebled authority.

Mr. Prescott: I do not accept that proposition. I hope that as many people as possible will vote in the referendum. In Wales, the turnout in the referendum for a Welsh assembly was 50 per cent., and in Scotland the turnout was 60 per cent. It behoves all of us to get across to as many people as possible their democratic obligation to participate in the vote.

Mr. Richard Ottaway (Croydon, South): A crucial issue in the referendum is the way in which the parties select their mayoral candidates. We know that the Conservatives are committed to one member, one vote. Can the right hon. Gentleman assure the House that there

is no truth in the rumour that the Government are trying to exclude the hon. Member for Brent, East (Mr. Livingstone), who is running as a candidate, and that paid-up members of the Labour party in London will have a free vote on who goes on the shortlist—yes or no?

Mr. Prescott: I do not know whether that question warrants a yes or no answer. When the people of London have decided on 7 May for the election of a mayor and an assembly, as I hope they will, we shall make the appropriate procedures, which is the proper way to select and elect candidates. The Tory choice of Lord Archer, the Tory answer to Dick Whittington, is not the one they are likely to turn to.

New Housing

5. **Mr. Stephen Day** (Cheadle): If he will make it his policy to adopt a target of building two thirds of new housing development in brown-field sites. [39508]

The Secretary of State for the Environment, Transport and the Regions (Mr. John Prescott): I consider our 60 per cent. target both challenging and achievable. To help achieve it, I have established a task force led by Lord Rogers to look at how best to use previously developed land. We shall launch shortly a national land use database to review how many recycled sites exist, or are likely to become available in the near future, and we will expect regional planning conferences, for the first time, to set their own regional targets.

Mr. Day: Can the Secretary of State advise the House of one green-field site anywhere in Britain that has been saved since he announced his change of policy on green-field sites?

Mr. Prescott: I am pleased to announce that, under the new system, the review carried out by the west midlands regional planning conference shows that, of the 330,000 houses proposed by 2011, 61 per cent. will be on green-field sites—

Sir Norman Fowler (Sutton Coldfield): Green-field sites?

Mr. Prescott: I apologise; 61 per cent. will be on recycled land. That shows that the Government's proposal will save many green-field sites. There is considerably more green belt land now than when the Government took office last year.

Mr. Andrew F. Bennett (Denton and Reddish): Does my right hon. Friend accept that Britain still has the problem that far too many people want their houses to be on green-field sites but want others live on brown-field sites? Will he ensure that we regenerate our cities so that people feel that they are free of crime, have high-quality schools and are places in which they want to live? We shall then have gone a long way towards solving the problem.

Mr. Prescott: I agree with my hon. Friend. That is precisely the Government's policy. We need to make our cities more attractive so that more and more people want to live in them. That is what our plans are about.

Mr. Nicholas Soames (Mid-Sussex): Will the right hon. Gentleman understand and accept that in West Sussex—particularly in Mid-Sussex, where people have been outraged by his arbitrary decision to add 12,800 houses to the figure decided upon by his inspector—his policy is considered untenable? Where does he think West Sussex will find brown-field sites to accommodate more than 12,800 houses in addition to the 38,000 that he has already said we have to build there?

Mr. Prescott: We have made it clear that our new approach is to consider these matters in the regional context, and the West Sussex structure plan will be so considered. That will be helpful. We have yet to start discussions on that. The county council has been granted leave for judicial review of my direction to increase housing provision in line with the regional planning guidance, so I do not wish to comment on the matter at present.

London Government

6. **Mr. Clive Efford** (Eltham): Pursuant to chapter 3 of the White Paper on "A Mayor and Assembly for London", if he will make a statement on arrangements for ensuring public accountability of the mayor and assembly. [39509]

The Minister for London and Construction (Mr. Nick Raynsford): The mayor and assembly will be accountable to Londoners through the ballot box. To strengthen public accountability, the mayor will hold a monthly assembly question time, twice-yearly people's question times and an annual state of London debate. The assembly will hold the mayor to account, hold its meetings in public and publish its papers and reports.

Mr. Efford: Does my hon. Friend accept that the current situation in London is unacceptable; that too many individuals and quangos are spending public money for which there is no accountability? Does he further accept that the new arrangements for a mayor and an assembly will make such expenditure publicly accountable and make those people directly accountable to the people of London through the democratic process?

Mr. Raynsford: My hon. Friend is right. The previous Government abolished democratic citywide government in London and replaced it with a raft of unaccountable quangos. We are restoring to the people of London the democratic right to elect their own citywide mayor and authority and ensuring that decisions are taken in an accountable framework and that quangos are brought back within democratic control exactly in line with the principle of accountability my hon. Friend espouses.

Mr. John Wilkinson (Ruislip-Northwood): If, as seems likely, a large number of Londoners register on Thursday their lack of confidence in the accountability of the new mayor by not bothering to vote—by a large electoral yawn—will not it be because they do not believe that there will be any sufficient mechanism either to bring the mayor to account or even to replace him or fire him if he is not up to the job? By what means will a corrupt or ineffectual mayor be replaced?

Mr. Raynsford: The hon. Gentleman gives little credit to the electorate if he believes that the principle of democratic accountability is ultimately flawed. We do not

believe that; we believe that the people should decide and that if they are dissatisfied with the mayor they should get rid of the mayor—[HON. MEMBERS: "How?"] By the ballot box, which is the best and most effective way to achieve accountability. I hope that on Thursday the people of London will give a resounding endorsement to the Government's plans for a mayor and an assembly for London.

Revenue Support Grant

7. **Mr. Tim Boswell** (Daventry): What recent representations he has received about the allocation of revenue support grant between local authorities. [39511]

The Minister for Local Government and Housing (Ms Hilary Armstrong): My Department receives representations almost continually from Members of Parliament, local authorities and their associations and other sources, including the general public. Such representations arise from the local government finance settlement for 1998–99, which was announced to the House on 5 February. In addition, we receive views on what changes might be made for the next financial year and responses to our current review of local government finance.

Mr. Boswell: Now that the Government have, admittedly under some pressure, made the welcome decision to reinstate the practice of their Conservative predecessors in publishing a rural White Paper, will the Minister undertake to tell the House, either in that document or, even better, now, what their rationale is for taking nearly £100 million a year out of the revenue support grant for shire counties? In addition, why has such a small allocation—only about 1.5 per cent. of the total—been made for shire districts on account of sparsity factors?

Ms Armstrong: The hon. Gentleman will know that the previous Administration considered sparsity factors but found no means of changing the formula fairly. I have invited authorities to submit further ideas this year on how the formula might better reflect sparsity factors. That will be a matter for discussion and deliberation. It is simply untrue to say that there has been a deliberate attempt to take money from the shires. The hon. Gentleman knows that additional money went to shire districts this year after we had looked at the formula for other areas. If he adds up the amounts for shire counties and for shire districts, he will find a different sum.

We are trying to redress the enormous unfairness that existed in the formula during the last few years of the previous Administration. We are moving towards a fairer and more fiddle-free agenda.

Mr. Keith Simpson (Mid-Norfolk): So it has been changed.

Ms Armstrong: Yes, we have changed it. We are making sure that we end the ludicrous practice of doling out money for visitors as if they were residents. That happened in a place not far from here, and the hon. Gentleman knows that that was a fiddle. We have stopped the fiddle.

Mr. Harry Barnes (North-East Derbyshire): In determining areas of need, will the Minister consider improving revenue support grant allocations by taking into account Treasury figures that show the number of people in high income tax brackets? In Derbyshire, for example, only 5 per cent. of the population are in those brackets; in Surrey, the figure is 17.2 per cent. Derbyshire is 41st of the 45 counties according to published prosperity figures, which is a clear indication that there is need in particular areas. I hope that that will be reflected in the review that is taking place.

Ms Armstrong: We are seeking to reflect need more accurately, but we also seek to make the formula simpler. We want council tax payers to know exactly what they are paying. At the moment, the system is so complex that that is extremely difficult. I do not promise that we will be able to do it in one year; it took the previous Administration 18 years to make the mess and it will take us some time to undo what they did.

Mr. Andrew Lansley (South Cambridgeshire): Does the Minister agree that the Government's changes to standard spending assessment methodology this year have cost London nearly £50 million, which is the equivalent of £17 per household, or more than 2 per cent. on council tax? Will the Minister assure Londoners that the Government's plans for further SSA changes will not mean further cuts in SSA for London next year, after the London elections?

Ms Armstrong: I welcome the hon. Gentleman to the Front Bench. I am not sure whether his appearance means that the hon. Member for South Suffolk (Mr. Yeo) has disappeared. I shall miss him greatly; I used to enjoy his over-the-topness and the opportunities that that gave us for scoring yet more goals.

It is interesting that the hon. Gentleman moves back to this issue; at our previous Question Time his Front-Bench colleagues accused us of hitting London hard. *[Interruption.]* Sorry—they accused us of being overgenerous to London as against the counties. Conservative Members change their minds so often that they confuse even me. The hon. Gentleman demonstrates that the settlement is fairer and fiddle free. If there had not been so many fiddles, some London boroughs would not have had the cushioning that the Conservative Government gave them.

Ms Diane Abbott (Hackney, North and Stoke Newington): Does the Minister agree that some of us are astonished that the Tories should be so brazen as to come to the Chamber and talk about revenue support grant, because those of us who were in the previous two Parliaments saw how RSG was gerrymandered to pour money into Tory Westminster and Tory Wandsworth? Whether they live in the inner city or in the countryside, where we have unprecedented representation, people are glad to see fairness and common sense return to the allocation of RSG.

Ms Armstrong: I agree with my hon. Friend. The fact that Conservative Members dare complain about any settlement for London demonstrates just how brazen they are. That does not win support, but being straight with people does. We are being straight. This has been a difficult settlement, but it has been fairer. People in

London know that the distribution in London is much fairer this year because we have stopped the incredible fiddle over how visitors were treated.

Genetically Modified Organisms

8. **Mr. Norman Baker** (Lewes): What assessment he has made of the extent of Government control to regulate the intrusion into the environment of GMOs. [39512]

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Angela Eagle): The Government have in place a strict regulatory framework to control the release of genetically modified organisms into the environment. Deliberate release may take place only with the explicit consent of the Secretary of State or if marketing approval has been granted in the European Union. Deliberate release consent will not be given without a rigorous safety assessment on a case-by-case basis.

Mr. Baker: I thank the Minister for that answer, but is she aware that an article in the *New Scientist* on 2 May referred to the fact that there is evidence that beneficial insects can be killed by transgenic crops and, in particular, by maize being marketed by Novartis? Does she accept that genetically modified crops can, in some circumstances, pose a major threat to the environment? Will she call on the European Commission immediately to suspend market consent for genetically modified maize?

Angela Eagle: As part of the rigorous risk assessment that my Department undertakes before any genetically modified organism can be released into the environment, it examines the effects on insect populations, including beneficial insect populations, of any of the modifications. I assure the hon. Gentleman that where there is an effect, permission to release will not be granted.

Green-field Development

9. **Mr. Chris Mullin** (Sunderland, South): If he will visit Sunderland to examine the effect of green-field development on the inner city; and if he will make a statement. [39513]

The Minister for the Regions, Regeneration and Planning (Mr. Richard Caborn): Since my hon. Friend tabled this question, I have had the privilege of visiting Sunderland. On 30 April, I saw the scale of inner-city regeneration, and I understand that the city of Sunderland has allocated some 50 per cent. of proposed development for brown-field sites in its emerging unitary development plan, which is due to be adopted shortly.

Mr. Mullin: We were very glad to see the Minister in Sunderland the other day, but there were one or two parts that he did not reach. Is he aware that in and near the centre of Sunderland we have acres of listed period property that are sliding towards dereliction, while all around us massive planning permissions are still being granted for housing on green-field sites? If we are serious about reversing this trend—I assume we are—Sunderland would be a good place to start. If the Minister would care to make another visit, I should be glad to give him on-the-spot guidance to the key areas.

Mr. Caborn: I am sure that my hon. Friend will acknowledge that the policies we are pursuing in drawing up the unitary development plan were put in place by the previous Administration. My hon. Friend's local authority has now made some modifications and two green-field sites have been taken out, which would have been in line with the previous Government's policy had they still been in power. My hon. Friend is absolutely right that the Government's policy is to make our cities and towns places where people like to work and play, unlike the previous Administration, who put everything on green-belt land.

Cars

28. **Helen Jones** (Warrington, North): What measures he proposes to encourage the purchase of more fuel efficient, less polluting cars. [39534]

The Minister of Transport (Dr. Gavin Strang): We have already announced several fiscal measures to encourage the purchase of cleaner cars, including the fuel duty strategy and the proposed lower rate of vehicle excise duty for the least polluting, most fuel efficient cars. We have also established the cleaner vehicles task force to advise on further action.

Helen Jones: I thank my right hon. Friend for that reply. Does he agree that, as people will want to use their cars as part of an integrated transport strategy, it is important that those vehicles are less polluting and more fuel efficient than they are now? Does he further agree that the development of alternative fuels, such as compressed natural gas and liquified petroleum gas, will have an important role to play in achieving that end?

Dr. Strang: Yes, the motor car will continue to have an important role in transport, not least because it is flexible and convenient. My hon. Friend is right that we want an increased take-up of alternative fuels, particularly in congested areas, to help those people, especially asthmatics, who suffer because of poor air quality caused by fuel emissions.

Mr. Eric Forth (Bromley and Chislehurst): If it made sense to raise the tax on fuel for motor vehicles to have the effect on pollution that the Minister claims, why did it also make sense to reduce the tax on domestic fuel for heating, which causes even greater pollution?

Dr. Strang: I remind the right hon. Gentleman that the Conservative Government started the automatic increase in fuel duty by more than the rate of inflation. Surely he should welcome the fact that the Chancellor has announced our intention to introduce a new reduced rate—a £100 rate—of vehicle excise duty for the least polluting, most efficient cars.

Mr. Peter L. Pike (Burnley): Does not experience show that when we widened the price differential, people were encouraged to use unleaded fuel? Should we not do the same for compressed natural gas and liquid petroleum gas to allow those fuels to be used in an environmentally sensitive way?

Dr. Strang: Yes, my hon. Friend is right. In two Budgets, the Government froze the rate of duty on liquefied petroleum gas and on compressed natural gas.

We believe that those fuels have an enhanced role to play, particularly in congested areas where emissions effect people's health, especially those with asthma and cardiac conditions.

29. **Mr. Tim Boswell** (Daventry): What plans he has in respect of the future role of the private car. [39535]

The Secretary of State for the Environment, Transport and the Regions (Mr. John Prescott): We shall shortly publish a White Paper delivering our manifesto commitment to introduce an integrated transport policy to fight congestion and pollution. Our aim will be to extend the transport choices available to the British people. The private car will continue to have an essential role to play, along with a much more effective public transport system, which will encourage people to use their cars less and public transport more. That will protect the environment, strengthen our economy and provide access for all sectors of society.

Mr. Boswell: I take it from the Secretary of State's response—and from the response of the Minister of Transport to an earlier question—that the Government are at last coming to terms with the reality that a car is a necessity and not a luxury for many millions of drivers and their families, and not only for the affluent or those resident in rural areas. In the light of that reality, will the Secretary of State and his colleagues return to the Chancellor and make representations to him about the implications of a total tax increase of £9 billion on motorists which will extend over the life of this Parliament and have to be paid out of the pockets of ordinary drivers and ordinary families?

Mr. Prescott: The petrol duty escalator was started by the previous Administration, and has required motorists to pay billions of pounds in tax. This Government have always realised that the car has an important part to play—and I have spoken on transport issues for a long time. The United Kingdom has fewer cars per head than other European countries, but we use our cars an awful lot more—because those other countries have a better public transport system. We wish to encourage people in the United Kingdom to use their cars less and to use public transport more. We will achieve that goal by making public transport much more effective—by making it a priority, rather than by deregulating it and encouraging competition, which, under the previous Administration, led to a reduction in public transport.

Mr. Tom Brake (Carshalton and Wallington): Can the Deputy Prime Minister confirm whether it is the Prime Minister's policy unit or the Department of the Environment, Transport and the Regions that is defining the Government's policy on private cars? Will he also consider his position if, at the end of this Parliament, he has not been able to reduce traffic in terms of his commitment?

Mr. Prescott: The transport White Paper will be a Government policy document formulated by my Department and influenced by the Prime Minister—who is the Government's main Minister. Those factors will determine the policy, which I believe will be a successful one. Hon. Members will have to wait until I introduce the White Paper to make a judgment on the policy. There will also be a public debate on the policy. I believe that the White Paper will lead not only to a better ordered public transport policy and to less private car use, but—most important—to improvement in our environment and in the health of our people.

Sir Norman Fowler (Sutton Coldfield): If the Prime Minister's own policy unit is concerned about the transport White Paper's anti-motorist stance, should not that be a warning to millions of motorists in the United Kingdom and to thousands of other people who work in the motor industry? Is that stance not the real reason why the transport White Paper has been deliberately delayed until a week or two after the local government elections have been held?

Mr. Prescott: First—as a matter of history—I am not even aware of the paper mentioned in the press, and I have not seen it. Secondly, we will produce a transport policy that meets the needs of the United Kingdom. As for our policy being hostile to those needs, I tell the right hon. Gentleman—who seems to have been talking an awful lot about private car use—that the previous Administration realised that car use was growing so much that, in 25 years, another 10 million cars will be on the road, requiring us to build 110-lane motorways between London and Leeds. The previous Administration therefore cut the road programme.

As for tax on motorists—*[Interruption.]* Yes, tax; the petrol duty escalator was certainly increased. I should like to quote to the right hon. Gentleman something from the 1996 Green Paper on taxation of non-residential parking, which states that there should be

"a presumption in the favour of introducing legislation, in due course, to enable congestion charging and area licensing to be implemented".

That was the clear intention of the previous Administration, who seem to have had one policy in government and another in opposition. Perhaps the policy change was announced when the right hon. Gentleman had taken time to be with his family, and he missed it. The way he is currently performing, he will be back with his family and off the Opposition Front Bench.

Rural Bus Partnership

30. **Mr. Derek Wyatt** (Sittingbourne and Sheppey): If he will make a statement on the distribution of the rural bus partnership fund in England. [39536]

The Minister of Transport (Dr. Gavin Strang): On 28 April, I announced proposals for distribution to English local authorities of an additional £37.5 million for local bus services. That followed the announcement by my right hon. Friend the Chancellor of the Exchequer, in the Budget, of another £150 million over the next three years to improve rural public transport.

Mr. Wyatt: Given that one in five people in rural areas do not have a car and that a quarter of parishes in England were denied bus services under Conservative Governments, what guarantees can my right hon. Friend give for safeguarding that new investment, so that it goes towards new and additional bus services rather than existing ones?

Dr. Strang: I am grateful for that question. We certainly shall issue guidance to local authorities to ensure

that we get value for money. As my right hon. Friend the Secretary of State said, we want new bus services to be established. As a result of the previous Administration's policies, no fewer than a quarter of rural parishes in England have no bus services, not even on one day of the week, as my hon. Friend pointed out. In the remaining 75 per cent. of parishes, we want better services, such as the introduction of a seven-day service where there is only a five-day service. We want new services to be established with that huge amount of additional money.

Mr. Desmond Swayne (New Forest, West): Given that every time a motorist fills his tank, according to the Automobile Association, of the £20 that he may spend £16 goes to the Government in tax revenue, surely the motorist will not get a fair deal by being recompensed in the bus services that will be paid for by a mere £50 million spread throughout the kingdom over five years. How much more money can we expect?

Dr. Strang: I do not think that the hon. Gentleman realises what a quantum change this is in the level of subsidy available for rural bus services. Is he aware that many authorities will receive £1 million extra this year, next year and the year after that? Is he aware that that extra money more than doubles the amount that some local authorities currently have? Of course the car is vital in rural areas, but we want to restore some of the bus services that were lost under the Tories.

Mr. David Borrow (South Ribble): On Friday night, I attended a meeting of the parish council at Longton to discuss rural transport. One of the issues raised was the difficulty experienced by local residents in attending the hospital in Chorley and the administrative centre in Leyland, where there is a jobcentre and so on. Will my right hon. Friend ensure that, in giving guidance to local authorities, consideration is given not only to the network of public transport, but to access to public facilities such as hospitals and administrative centres, which should be a priority in creating any new bus services?

Dr. Strang: My hon. Friend makes an important point about precisely the sort of issue that we will be concerned about in setting out guidance. It is important also that there should be bus services to hospitals and other important centres seven days a week in as many areas as possible. I also think it important, particularly for young people, to re-establish Saturday bus services into small towns.

Railtrack Communication Masts

31. **Mr. Crispin Blunt** (Reigate): What is his estimate of the number of Railtrack communication masts that are also being used for commercial telecommunications. [39537]

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Ms Glenda Jackson): I understand from Railtrack that 300 masts, out of a total of 1,000, are used for commercial telecommunications as well as for Railtrack's own needs.

Mr. Blunt: Is the Minister aware that, nine months ago, Railtrack was able to override the objections of people in Reigate and the local authority by putting up a mast and taking no notice of the requested amelioration of the mast's environmental impact? Is she further aware that, less than nine months later, the local authority has been presented with an application for an Orange mast on the site where the Railtrack mast has been erected? Does her answer indicate that Railtrack is systematically abusing its statutory authority to override the local planning process? Is it time for Railtrack to lose that statutory power to override the objections of local people?

Ms Jackson: There is no statutory requirement under which Railtrack must obtain planning permission, but any commercial company involved in the use of any Railtrack mast is most certainly required to obtain the necessary planning permission.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Will my hon. Friend have a short and fairly firm word with Railtrack to point out that, if it intends to develop, including signalling in ways in which it has not done so in the past, it must ensure that those who work for it, whether contractors or direct employees, not only have the relevant qualifications but understand the whole world of safety? There is clear evidence that Railtrack is not insisting on contractors providing proper care, either for its own work force or for those using the railway system.

Ms Jackson: My understanding is that there are no safety implications—nor any reduction in safety—when there is shared use of a mast. As my hon. Friend will know, there was a very critical Health and Safety Executive report on Railtrack's control of contractors. I understand that Railtrack has introduced new systems for the management of its contractors and for assuring that technical standards are met. The Health and Safety Executive is monitoring those improvements and will not hesitate to take further action to ensure that risks are properly controlled.

Rolling Stock

32. **Mr. Austin Mitchell** (Great Grimsby): If he will introduce measures to accelerate the purchase of new rolling stock. [39538]

The Secretary of State for the Environment, Transport and the Regions (Mr. John Prescott): On 21 January, I asked the rail regulator to conduct a wide-ranging inquiry into the operation of the rolling stock leasing market. One of the issues that I asked him to look at was investment in new rolling stock. The regulator has submitted his report and I am discussing with him whether further action is required in the light of his recommendations.

Mr. Mitchell: I am very glad to hear my right hon. Friend's news. I hope that he will encourage passenger operators to follow the example of the freight operator in buying new rolling stock to boost the British rolling stock and engine industry, which has been disastrously hard hit by privatisation. Will he do so by pushing the rolling stock companies into buying new rolling stock rather than siphoning off their ill-gotten gains, as if they were lottery

profits, as they have been doing? That would be a better way of acquiring new rolling stock than, as Great North Eastern Railway Ltd. wants, extending the franchise.

Mr. Prescott: I think that the House is aware of how the assets under the three ROSCOs were quite shamelessly undersold, costing the taxpayer about £750 million. It is our concern to get investment in the railway system. I was concerned that a number of operators had found it difficult to make leasing arrangements with the ROSCOs, which was one of the reasons why I asked the regulator to conduct his inquiry. As soon as I have considered his recommendations, I shall report to the House.

Sir Sydney Chapman (Chipping Barnet): When will the new rolling stock that was promised last year finally appear on the London underground Northern line? What has been the reason for the considerable delay? As the project was financed under the private finance initiative, have financial penalties been imposed on the contractors?

Mr. Prescott: My hon. Friend the Minister for Transport in London advises me that much of the new rolling stock is being tested. We hope to see that new investment on the line as quickly as possible. For the long term, the question is how much essential investment we can secure to modernise most of the rolling stock on the London underground. If the hon. Gentleman wants, I will find out the exact position and write to him about it.

Mr. Paul Burstow (Sutton and Cheam): Does the right hon. Gentleman agree that the previous Government's failure to write rolling stock replacement programmes into franchise agreements has meant that many of our constituents have to travel on ancient, unsafe and inadequate trains, with no prospect of the franchisees replacing the trains throughout the entire life of the franchise? Will he do something about that to ensure that my constituents do not have to travel on such unsafe and dangerous trains?

Mr. Prescott: Yes, that is a matter of major concern. Some operators have asked for an extension of their franchise, tied to an intention to introduce new investment, but I thought that the intention was to introduce new investment without the extension of franchises. That was exactly the case for Great North Eastern Railway. It complained that the ROSCOs would not give it sufficient finances during its short franchise. I do not believe that to be so, and have not found it not to be so. Sometimes, pressure is being exerted to extend franchises instead of getting on with introducing new investment. I am addressing myself to that problem.

Company Car Parking

33. **Mrs. Cheryl Gillan** (Chesham and Amersham): What representations he has received on the impact on small businesses of taxes on company car parking space. [39539]

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Ms Glenda Jackson): Taxing company parking provision was one of the range of options raised in the Government's consultation exercise on developing an integrated transport policy. A number of respondents commented on it, some specifically from the perspective of small businesses.

Mrs. Gillan: Does the Minister agree that the last thing that our small businesses want is more taxes? Will she take this opportunity to rule out once and for all the leaked proposals for taxation to fall on small businesses, factories, offices and shops? Does she realise that, if she does not rule that out now, the Government will prove themselves to be bad for busines.?

Ms Jackson: No final decisions have been taken on legislation to introduce a non-residential parking levy or on the shape that such a levy would take. We have been considering the social and economic implications nationally and individually of, among other things, the coverage of a levy and exemptions for types and sizes of business—those issues need careful consideration. I am told by small businesses that one of their gravest concerns is the seemingly endless congestion on city streets, which not only precludes and delays delivery, but deters people from shopping—pavements are choked with fumes and people take their lives in their hands if they have to cross the road. The Government are committed to ensuring that that is not only curtailed, but improved.

Mr. Alan Simpson (Nottingham, South): Before my hon. Friend is deterred from going down that path, will she examine the phenomenal success of the initiative taken by Boots in Nottingham, which pre-empted any Government decision and, of its own volition, shifted its priorities in favour of subsidies to public transport use and to car sharing? Given the initiative's popularity with the public and with the employees, does not it represent a better model to commend to large and small firms alike in any local economy?

Ms Jackson: My hon. Friend is entirely right. We are commending Boots's model to businesses and industries, both large and small. Boots is by no means the only company that has adopted a green transport plan, which brings enormous benefits not only to the company but to their employees.

Mr. Christopher Chope (Christchurch): Is the Minister on the side of the teeny-boppers in this argument? Does she accept that a tax on car parking spaces will lead to more red tape, increase the cost of food and give rise to more anti-social on-street parking? Is not it better for cars to be in car parks than to be on the road?

Ms Jackson: I think that the choice of the word "teeny-bopper" was somewhat unfortunate, given the age of the new leader of the Conservative party—although he has shown few signs of being able to bop anywhere. On additional levies for non-residential parking, an interesting finding by the British Retail Consortium is that its customers are less concerned about car parking costs than about ease of access. The charges levied by the business rates are based on the whole curtilage of the building, whereas it has been assessed that the average cost per annum of a parking space for large retail outlets is about £50. Given the turnover of such businesses, that is a small charge.

London Minicabs

35. **Ms Linda Perham** (Ilford, North): What measures he proposes to ensure the safety of minicab passengers in London. [39541]

The Minister for Transport in London (Ms Glenda Jackson): The Government intend to introduce legislation for the regulation of London minicabs as soon as parliamentary time permits.

Ms Perham: I welcome my hon. Friend's reply. Is she aware that there were more than 60 sex attacks on women using minicabs in London last year? Can she confirm that the regulation of minicabs in London, which was promised in Labour's London manifesto, is supported not only by the private hire trade but by the black cab trade—many of whose drivers live in my constituency—the police and the people of London? Will she ensure that legislation will cover checks on a driver's criminal record, health and topographical knowledge, matters that were included in a private Member's Bill that was wrecked by one Conservative Member?

Ms Jackson: I agree with every word that my hon. Friend uttered. As she knows, it was part of our manifesto commitment to London to introduce such regulation. It is important that both cars and drivers should be subject to checks. It is greatly to be regretted that a Bill originally introduced by a former Conservative Secretary of State for Transport, the right hon. Member for North-West Hampshire (Sir G. Young), has fallen because of the actions of one Conservative Member.

Roads Programme

36. **Mr. David Ruffley** (Bury St. Edmunds): What representations he has received on the upgrading and maintenance of trunk roads. [39542]

The Minister of Transport (Dr. Gavin Strang): About 14,000 representations have been received during the roads review. Overall, they showed an acceptance of the need for a new approach that includes proper maintenance, best use of existing roads and investment in specific improvements.

Mr. Ruffley: In the departmental review, will Ministers give special priority to major strategic trunk roads? Will the A14 be a priority, given that it is one of the major trunk routes between here and continental Europe?

Dr. Strang: The hon. Gentleman raises an important point about maintenance. He will be aware of the neglect of road maintenance by the previous Administration. We have increased the allocation from £200 million last year to £300 million this year. We must get better use out of the existing road network and maintain it properly.

Economic and Monetary Union

3.30 pm

The Prime Minister (Mr. Tony Blair): With permission, Madam Speaker, I will make a statement about the meeting of European Union Heads of State and Government on economic and monetary union, which I chaired in Brussels on 2 May. My right hon. Friends the Chancellor of the Exchequer and the Foreign Secretary, and my hon. Friend the Economic Secretary, were also present.

The aim of the meeting, and of separate meetings of the Finance Ministers during the weekend, was to take decisions on which countries would participate in the single currency from 1 January 1999; on the nominations for the president, vice-president and members of the executive board of the European central bank; on the bilateral conversion rates that will apply between participating currencies from 1 January; and on fiscal discipline and economic reform. I have placed a copy of the drafts of the resulting documents in the Library.

The Heads of Government had before them a unanimous recommendation from the Finance Ministers on which countries should be in the first wave of economic and monetary union, and a supporting opinion from the European Parliament, which had met that morning to consider the Finance Ministers' recommendation. Heads of Government agreed unanimously that the following 11 countries should join the single currency from next January: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

We also agreed without difficulty on the following nominations for the executive board of the ECB: as vice-president, to serve for four years, Mr. Noyer; and, as ordinary board members, Mr. Issing, to serve for eight years; Mr. Padio-Schioppa, for seven years; Mr. Domingo, for six years; and Mrs. Hamalainen, for five years.

The Heads of Government also agreed on Saturday night a statement that, in future appointments to the executive board, appropriate weight and consideration would be given, according to a balanced system of rotation, to recommendations for nationals of member states not on the initial slate.

The declaration on fiscal discipline and economic reform, which was adopted by Finance Ministers on Friday evening, is a significant document, building on a United Kingdom presidency initiative at the York informal ECOFIN in March. It emphasises the importance of fiscal consolidation in high-debt countries and of economic reform; both are essential to help to create jobs and to ensure that monetary union is successful.

All those issues were decided with relative ease, but, as is well known, there were very difficult negotiations over the presidency of the European central bank. It is important to set out those negotiations in detail. There was ready agreement that Wim Duisenberg, the current president of the European Monetary Institute, and a highly respected former Dutch Finance Minister and governor of the Dutch central bank, was the best choice as the first president of the ECB. As president of the European Monetary Institute, he has already been in charge of the practical preparations for the euro. As president of the ECB, he will be well placed to continue that role.

It was also readily agreed that we expected Mr. Duisenberg's successor to be the French nominee—President Chirac made it clear that his nomination would be Jean-Claude Trichet, again an experienced and respected governor of the Banque de France—and that both nominations should be for the full eight-year term. Where there was disagreement was not on the substance of any of that, but on the length and form of Mr. Duisenberg's tenure as president.

Because of the controversy—not least in the European Parliament—it is important to be clear what the precise issue at stake was. Much of the subsequent press reporting has rested on this simple factual inaccuracy: that Mr. Duisenberg intended and wished to serve his full eight years, as opposed to being nominated for that time as under the treaty. *[Interruption.]* In fact, that was not and has never been the case.

Eighteen months ago, before any French candidate had been suggested, Mr. Duisenberg properly made it clear that he would not want to serve a full eight years, in view of his age. Indeed, he did so publicly. At that time, he was saying that he would not guarantee staying more than two years. Later, he talked of between three and five years—but he did insist on being nominated for eight years.

The issues for us were therefore these. If Mr. Duisenberg would not serve the full term, was it right to appoint him? What was the minimum term we should ask of him? Should there also be a maximum term, given the circumstances? The answer to the first question was: yes, in our view, because, as president of the EMI and a highly respected central banker, he was plainly the right person to launch the euro.

The answer to the second question was again clear: Mr. Duisenberg should at least stay until the euro was launched and all transitional arrangements, particularly the introduction of the notes and coins, were in place. That accorded with Mr. Duisenberg's own wishes that he oversee that process and step down shortly afterwards.

It was over the third question that there was disagreement. Some preferred a fixed date for Mr. Duisenberg to retire, while others argued that that would not be consistent with the treaty. The protracted discussions were essentially over how to resolve that issue. Mr. Duisenberg's view, backed by ourselves, was that although his intention was clear, there could be no question of there being any formal obligatory end to his term.

In the end, it was Mr. Duisenberg's view that prevailed. *[Interruption.]* At our suggestion, he stated his position personally, in his own words, to the Council. He explained that because he would be 67 in 2002, he did not wish to serve the full term—*[Interruption.]*

Madam Speaker: Order. The House must come to order. This is totally disgraceful behaviour on the part of Back Benchers.

The Prime Minister: I think that the Opposition have a little difficulty with the facts.

Mr. Duisenberg explained that, because he would be 67 in 2002, he did not wish to serve the full term, but that it was his intention to see through the transitional arrangements for the introduction of euro notes and coins, including the withdrawal of national notes and

coins. He made it clear that the decision was his and his alone. At the end of the negotiation, the Heads of Government accepted that.

I have no doubt at all that, although the process was very difficult, the decision was clearly right. What is more, as Mr. Duisenberg is under no obligation whatever to retire early, it is entirely consistent with the treaty. Moreover, if the nomination of Jean-Claude Trichet is eventually confirmed, as I expect, that will mean that two highly respected and experienced central bankers, noted for their independent views, will be in charge of the European central bank for a total of 12 years. That is an outcome which ensures long-term stability.

We were told that the financial markets would react badly, and that the pound would go through the roof. In fact, the deutschmark has risen against both the pound and the dollar since Friday. Stock markets in France and Germany are higher than at the close of business last week. British 10-year gilts have not moved since Friday. The markets across Europe and the rest of the world are calm. What they know is what we know—that the fundamentals are right, a good board is in place and the euro will be strong, not weak.

Many people had said that the euro could not be launched on time, or with a wide membership, and that the argument about the presidency could not be resolved satisfactorily. In the end, all those issues were resolved satisfactorily, and the single currency will become a reality on 1 January 1999.

The UK's own position on joining monetary union was made clear by my right hon. Friend the Chancellor of the Exchequer to Parliament on 27 October. It has not changed; but, in or out, it is in Britain's interest that the single currency is successful and strong. The decisions this weekend—whatever the frustrating nature of the process—were in the end the right ones for Europe and for Britain.

The House will nevertheless agree that the biggest challenge for Europe lies ahead. To ensure that the single currency is successful, member states must continue to implement reforms of product, capital and labour markets and to promote employability and job-creating entrepreneurship. That is the way to a genuinely prosperous future for Europe. It is what we shall be pursuing at the European Council in Cardiff.

Mr. William Hague (Richmond, Yorks): Does the Prime Minister recall telling the House on 4 June last year that

"the criteria for monetary union should not be fiddled, fudged or botched in any way. If they are, the answer is not to delay—the answer is not to proceed."?—[*Official Report*, 4 June 1997; Vol. 295, c. 386.]

Where does that bold assertion stand today, now that the Prime Minister has colluded in the launch of a fudged and flawed single currency that could jeopardise jobs and investments throughout Europe? Is it not the case that he has not only broken the promises that he gave the House, but disregarded the terms of an international treaty to which this country is a signatory?

On the fiasco surrounding the appointment of the president of the central bank, does the Prime Minister agree that political horse-trading at the weekend serves as a warning that it is politics, not economics, which is the driving force behind the single currency? Has he seen the comments of a member of the Bundesbank council, who said yesterday that the deal was in clear breach of the Maastricht treaty? Has he seen the comments of his own MEP and the leader of the socialists in the European Parliament, who described his deal as "unacceptable shenanigans"?

Given that the Maastricht treaty clearly stipulates that the president of the bank should serve for eight years and that the Prime Minister has caved in to a shorter term, did he actually have a straight face when he said in Brussels that he was

"maintaining entirely the sanctity of the treaty"?

If he was maintaining entirely the sanctity of the treaty, what was the trouble all about? Can he really expect us to believe that it was not a political compromise in conflict with the treaty? If Mr. Duisenberg had such a strong view that he should retire early, why did lunch have to go on until midnight before that became apparent to everybody?

Does the Prime Minister recognise that, whatever the personalities and whatever the timings involved, the really disturbing thing about the row is that it shows a fundamental disagreement between participating countries about the political independence of the central bank? Is it not the case that, behind the argument, lies one way, the German way, which regards the independence of the central bank as sacrosanct, and another way, the French way, which stresses the importance of a politically accountable bank? Now that the Prime Minister has settled for an inadequate, possibly illegal and badly prepared deal, presumably he will call it the third way.

As the Prime Minister has said, it is in the interests of both Britain and Europe that the single currency is strong and stable. However, does he accept that, if it is to have the best chance of success, the criteria set out in the Maastricht treaty should have been strictly adhered to? Has he not now agreed to the creation of a weak and fudged single currency by the inclusion of countries which, by a very wide margin, fail to meet the Maastricht criteria and, in some cases, have national debts that are double the required level? Is that what he means by the fundamentals being right? Does he remember, in response to my question in the House about a month ago, saying that it was his

"duty, as president of the European Union, to ensure that the criteria"—

that is, the Maastricht criteria—

"are properly obeyed."?—[*Official Report*, 25 March 1998; Vol. 309, c. 492.]

Has he, at any stage in recent months, argued, counselled or voted against the breaking of the criteria? Has he, at any stage, warned against a decision of such immense economic importance being made through a political fix?

Did the Prime Minister see the comments of the chairman of the Bundesbank in the Bundesbank report a month ago, saying that

"serious concern exists in the case of Belgium and Italy. This could be eliminated if additional firm substantive commitments are given"?

Has he done anything in the past four months, as President of the European Council, to seek such commitments? Or did he decide that being all things to all men and trying to please everyone was an easier option than fulfilling the clear duty that he affirmed to the House?

[Mr. William Hague]

The Prime Minister claims that the lack of volatile movements on the currency markets means that the City has given EMU a vote of confidence, and that the markets think that the euro is a strong currency. Is he aware that that view is contradicted by many in the City, where some say that they saw the fudge coming and priced it in long ago? Has he read the comments of the chief economist at NatWest, who said:

"where we are is where we expected to be on Friday night. It is a fudged agreement"?

Has he read the comments of the chief European economist at Nikko Europe, who said that the pound has stayed steady only because traders expect the Bundesbank to raise interest rates to shore up confidence in the euro? With which view does he agree, and is he really saying that all is well in the markets on the basis of two days' trading?

At this weekend's summit, all the major decisions about a single currency were fixed and fiddled, but can the Prime Minister tell us what happened behind the scenes that caused such anger among his fellow Heads of Government? How does he respond to the Italian Prime Minister, who said that he was "ill prepared"; or to the Prime Minister of Luxembourg, who, among others, protested that the Prime Minister had not even bothered to brief other leaders properly on the deal; or to the Austrian Chancellor, who complained that

"there were people much more experienced than me who said they had never seen anything like it"?

Has he been taking lessons in diplomacy from the Foreign Secretary? Is this what the Prime Minister means by a new relationship in Europe? After the weekend, is not the verdict on his presidency of the European Council that when he should have spoken up, he remained silent; when he should have led, he followed; when he should have prepared, he did not prepare; and when he should have done his duty, he failed in the duty that he owed this country?

The Prime Minister: With the greatest respect to the right hon. Gentleman, I think that the one group of people we are not entitled to take any lessons from about Europe are the Conservatives. They are split down the middle as to whether they are against the euro; they are split down the middle as to whether they want it launched; and they cannot even tell us whether they are in favour of an independent central bank in respect of the euro. Indeed, I think it was the right hon. Gentleman who said, first, that he was against the single currency in principle, then that he was against it in decades, then that he was against it in 30 years, then that he was against it in 40 years, and then that he was against it in two Parliaments—and now it is not even clear whether he is in favour of it or against it.

The right hon. Gentleman asked a series of questions, and I shall try to explain the answers to him. First, he asked what the trouble was about. I explained that in the statement. The difference was between those who said that Mr. Duisenberg should be obliged to leave on a particular date and that he should give a specific date for his departure, and those who said that that would be inconsistent with the treaty. In the event, no specific date was given, and in respect of Mr. Duisenberg's own view, let me quote what Mr. Duisenberg said in November 1996, before any French candidate had been put forward:

"I will still be just under 63 at that time and I will be appointed for a period of 8 years, but I will not give anybody the guarantee that I will stay on for that full period. I do promise, however, that I will not stop after 3 months nor after 2 years, but my guarantee does not go beyond that. One has to be realistic and not forget about one's age."

I assume from what the right hon. Gentleman is saying that he would have blocked Mr. Duisenberg's candidature. Is that right or not? It is very important. The right hon. Gentleman nods; he says that he would have blocked Mr. Duisenberg's candidature. If his candidature had been blocked, it would have been a disaster for Europe and for Britain. On Sunday morning, the right hon. Gentleman and the shadow Chancellor were saying that the pound would go through the roof as a result of the deal—that the markets would be in turmoil. As it happens, the markets are perfectly calm. Why? Because they know that the right decision has been taken. Had we decided to block Mr. Duisenberg's candidature, which the right hon. Gentleman has confirmed would be his policy, it would have been a disaster. Thank heavens the right hon. Gentleman has not been in charge of our negotiating position.

On the criteria, I shall explain why the right hon. Gentleman is wrong in the point that he keeps making. The criteria have not been fudged, botched or fiddled. There are five criteria, on inflation, interest rates, the budget deficit, exchange rate stability and debt. Nine countries reach all five criteria, or very close to them. Two countries, Belgium and Italy, conform with four of the criteria, but exceed the national debt criterion.

The criteria are expressed in such a way that the European Commission and the monetary institute are asked to decide whether the criteria, taken as a whole, mean that there is suitable and sustained convergence between the various countries. Those bodies have given their opinion that there is proper convergence and that sufficient progress is being made on national debt. The right hon. Gentleman says that the treaty does not make any such stipulation. Yes, it does, and he should go back and read it again.

The Commission and the monetary institute have both made their position clear. They believe that there is proper convergence. The right hon. Gentleman's comments in respect of the Bundesbank are wrong. There is agreement across Europe that the euro should be launched with all 11 countries participating. Presumably, if the right hon. Gentleman had been negotiating, he would have tried to block the candidatures of those two countries. A nod would do.

Mr. Hague: Answer the question.

The Prime Minister: If the right hon. Gentleman had been in charge of our negotiating position, he would have blocked the only candidate who was credible for the job, he would have ended up having to try to find a third candidate early on Monday morning, and he would have opposed the launch of the euro altogether, yet he accuses us of causing mayhem in the markets.

I entirely understand why the right hon. Gentleman may want to make debating points, but in the end the result was the right one for Britain and for Europe. If we had

ended up with stalemate instead of a decision, it would have been a disaster. Once all the debating points are out of the way, I ask him to reflect whether he would have maintained as his negotiating position the position that he has outlined to the House. If he had done so, it would have been a disaster. Fortunately, that disaster was averted.

Mr. Paddy Ashdown (Yeovil): I agree with the Prime Minister that the result was the right one for Europe. One should use the word "historic" sparingly in the House, but this genuinely was an historic event. The first sadness is that Britain, instead of being a part of it, was at best an umpire, but, as the Prime Minister well knows, actually a spectator at the sidelines. Is it not the case that, yet again, we shall in due course join an institution to which we did not belong when it was formed and which we have not effectively shaped?

Is not the second sadness the sad position to which the official Opposition—an increasingly inappropriate term—have sunk? They have locked themselves into a corner, and locked themselves out of mainstream domestic politics and European politics as well. Is it not a sad reflection on the party of Europe, as the Conservatives once called themselves, that, instead of commenting on the big event, they comment on the small compromise? It is a little like treating the news of the victory over the armada with a complaint that Drake did not play a very good game of bowls. It is a preposterous position.

Of course the compromise was messy. Some may even say that that is a specious description of it. However, that will not make the slightest difference to such an historic event. Two questions must be asked about the compromise. First, will the euro have effective government and leadership? The answer is yes, not for 10 years, but for 12. Secondly, do the markets express their confidence in that? The answer is resoundingly yes.

I shall make two further points to the Prime Minister. First, unhappily for his Government, who are more pro-European and could have much more influence in Europe, he is losing that by standing at the side and making the same mistake as the previous Government made, being led on Europe rather than leading on Europe. Secondly, for as long as he does that, Britain will lose trade, investment and influence. Is not the risk for Britain the fact that this weekend there was formed a soft but stable Europe, while we must continue with a high, volatile and unstable pound?

The Prime Minister: On the right hon. Gentleman's latter point, the decision must be taken in our national economic interest. Some people say that we should join the euro no matter what and others say that we should not join as a matter of principle. Both those positions are entirely understandable. The Government's position is that the matter should be decided according to our national economic interest. For reasons that we have set out many times, we do not believe that there is proper convergence between Britain and the economies of France and Germany, in particular, at present.

I do not believe that our position in that respect is the same as that of the previous Government. They could never decide whether there was an insuperable constitutional barrier to the single currency. We have decided that issue. They did not make preparations to ensure that Britain was in a position to join the single currency should it wish to do so. We can make that statement and are making those preparations. In the end, even though monetary union cannot be conceived of except politically, it cannot be made to work except economically. The Government believe that the economics must be right.

In respect of the right hon. Gentleman's comments about the euro, I think that it will be a strong currency. Those who claim that it will be weak and that the events of the weekend have damaged it are the same people who said that the euro would never happen, that 11 countries would never join and that it would be postponed. [HON. MEMBERS: "Who?"] Conservative Members were among the leading proponents of that position—I thank them for reminding me of that.

The fact is that monetary union will happen. As to the compromise, I said in my statement that the media and others have missed a simple fact. Let me repeat it. It is claimed that Mr. Duisenberg wished to stay in his post for the full eight years. He has always made it clear that he did not want to do that, but he was insistent, as were others—including ourselves—that he could not be obligated to stand down. He has always said that he wanted to stand down once the euro was launched, and the question was whether he should be given a specific date for standing down. It is true that the matter was discussed for 10 hours, but it was worth it in order to secure that basic principle. In the end, the decision was basically in his favour.

As for the right hon. Gentleman's remarks about the Opposition, we all agree about that.

Mr. Robert Sheldon (Ashton-under-Lyne): Does my right hon. Friend agree that, before entering the euro, it will be necessary to have a long period of stability, which means effectively shadowing the euro? As the Monetary Policy Committee has been instructed to look at price stability above all other matters, will my right hon. Friend consider giving it fresh instructions so that we may prepare for our entry into the EU monetary system?

The Prime Minister: Price stability is enormously important. That is one of the reasons why there must be a strong euro—I believe that it will be strong, and the early indications are that the market thinks so, too. From our position, it is important that we continue to make preparations. Britain should be in a position to join if we decide to do so.

It is important to emphasise that, in or out, the euro will affect Britain. The idea that we should carry on as we were before 1 May, making no preparations at all, is disastrous. Fortunately, the City of London is now probably better prepared for the euro than any other financial centre in Europe. That is extremely good news. I believe that our preparations are the right ones.

Mr. Peter Brooke (Cities of London and Westminster): Does the Prime Minister really believe that no harm has been done by the course of events in Brussels this weekend?

The Prime Minister: Yes, I do as a matter of fact. I shall explain why. Real harm would have been done if

[The Prime Minister]

the wrong decision had been taken. If we had done what the Leader of the Opposition suggested and blocked Mr. Duisenberg's candidature—

Mr. Michael Howard (Folkestone and Hythe): He did not.

The Prime Minister: The Opposition have changed their mind already. *[Interruption.]* My hon. Friends are being very unfair: that policy lasted for all of 10 minutes. If we had ended up blocking Mr. Duisenberg's candidature, we would have ended up without him and without Mr. Trichet, and we would have had to search for a third candidate in the early hours of Sunday morning, which would have been disastrous.

The right hon. Member for Cities of London and Westminster (Mr. Brooke) knows from his experience in government that European negotiations are often difficult, but it is important that the result is right. This is the right result. We shall have for 12 years highly respected presidents of the central bank who will be tough disciplinarians, which is what the euro needs. Whatever the difficulties, the decision was right, so I do not believe that there was damage.

Mr. Tony Benn (Chesterfield): Given that economic and monetary union has always been considered by its architects to be a political policy, is not it absurd to suppose that, with 15 million unemployed in the European Union, the bank will not be subjected to continuing political pressure throughout the life of the euro? Were a group of appointed and unaccountable bankers to hold the levers of economic power in the EU, would not that remove the rights of the electors, of the Parliaments and of the Governments of the countries within the Union and effectively destroy democracy itself?

The Prime Minister: My right hon. Friend criticises the political pressure that has been exerted on the central bank, but that is, as I understand it, the proposition for which he argues. Price stability and the independence of the bank are important, which is why it is better that the Bank of England is independent to set interest rates. In the longer term, that will produce greater stability and ensure that this country does not go back to the days of boom and bust and huge fluctuations of growth followed by recession, which we had under the Conservatives. If we consider the central banks not only of Europe but of the world, independent central banks are better.

Mr. Douglas Hogg (Sleaford and North Hykeham): Will the right hon. Gentleman confirm that article 109a of the treaty provides that the term of appointment for the president "shall be eight years"? In view of what Mr. Duisenberg has said, is there not a clear breach of the treaty? Has the right hon. Gentleman lent his name to a fudge? How does he justify that, as he has frequently said that the criteria would not be fudged? Why have we signed up to a French president now? Is that contrary to the replacement procedure contemplated by article 11 of the protocol? Is the truth that neither the right hon. Gentleman nor his friends and colleagues at the summit will pay much heed to the language of the treaty?

The Prime Minister: No. The nomination is for eight years. At the press conference after the summit, I was directly asked what would happen if Mr. Duisenberg decided to stay for eight years. The answer is that he would stay for eight years. As I keep trying patiently to point out, he said well before Mr. Trichet's candidature was even suggested that he did not want to stay beyond the launch of the euro, so we have a situation that is perfectly consistent with the treaty. He has said, "I will at least stay until the euro is properly launched, but I won't stay after that, because I do not wish to." He also made it clear in his statement that there is no obligation; he will choose the time of his leaving, but he thought it right to say to the Council, "If you nominate me for eight years, I will not serve the full eight years." That is perfectly reasonable.

The answer to the right hon. and learned Gentleman's question on the French nomination is no. The nomination process has to be gone through, and the French nomination has to be agreed formally by the Council. Mr. Duisenberg and Mr. Trichet are both highly credible, which is why the deal is a good deal. To have ended up blocking Mr. Duisenberg's candidature would have been a disaster for Europe and for Britain. The right hon. and learned Gentleman should imagine the situation had the markets opened on Monday with no agreement on the central bank. At one point on Saturday, it seemed as if that would be the case.

Mr. Giles Radice (North Durham): Does my right hon. Friend agree that the weekend summit was an enormously important event—an historic event—marking, as it did, the real start of the single currency, with 11 participating countries, with the agreement on conversion rates and with, yes, a compromise on the presidency of the central bank, brokered by my right hon. Friend, which will ensure that for 12 years the ECB will be led by two highly respected—as I know—central bankers? Do not the critics have to say what the alternative is to the deal brokered by my right hon. Friend at the weekend? Many of us would like the United Kingdom to join EMU as soon as possible.

The Prime Minister: I shall not repeat our position on EMU, because we have already made it clear. My hon. Friend is right to say that the launch of the euro is an historic occasion, and he was right to say what he did about the presidency of the central bank. As I say, the problem is that there is the inconvenient fact that Mr. Duisenberg had made it clear throughout that he did not want to serve his full eight-year term, which all the comment has missed. That is the central fact and that is why the argument would always be not whether he left early, because he was making it clear that he would, but whether he was obliged to do so and would be given a specific date on which to leave, which was the position of some countries, or one country at least, or whether, which was our position and that of many others, and Mr. Duisenberg himself, although he would leave early, he could not be obligated to do so because that would be a breach of the treaty.

Mr. William Cash (Stone): Will the Prime Minister explain why he thinks that there is no constitutional barrier in the United Kingdom to going ahead with economic and monetary union, and does he seriously believe that Mr. Duisenberg is telling the truth when he says that he would be perfectly happy to stand down? Is not that just an example of a total sham, which

illustrates the eternal contradictions, the lies and the entire confusion behind the whole project, of which the British presidency, to our eternal shame, has been the midwife?

The Prime Minister: The problem is that those who adopt the hon. Gentleman's position, which he holds entirely honourably, simply will not accept any facts that get in the way of their arguments.

Let me read again what Mr. Duisenberg said in November 1996. *[Interruption.]* I shall deal with the hon. Gentleman's other point as well, but he effectively alleged that Mr. Duisenberg was not telling the truth when he said that he wanted to go earlier. In November 1996, before any other candidate was ever raised, Mr. Duisenberg said:

"I will not stop after 3 months nor after 2 years, but my guarantee does not go beyond that. One has to be realistic and not forget about one's age."

Mr. Cash: Why have him as a candidate?

The Prime Minister: The reason is that he is president of the European Monetary Institute—*[Interruption.]* That is a fact. He is charged with the preparations of the euro. It therefore makes perfect sense, albeit for a shorter time, to have him then oversee the actual mechanics of launching the euro. Although everyone always knew that his candidature would be shorter than the eight-year period because of his own desire to leave earlier, he was, none the less, the right candidate.

When it is then asked why it took 10 hours to reach that position, the answer is that it did not take 10 hours to persuade Mr. Duisenberg to go early. In the very first conversation that I had with him on Saturday, he said again that he would leave before his full term. The reason for the discussion was the insistence of one country that he should be obliged to go early, and that was what was unacceptable.

In relation to monetary union and the constitutional barrier, I say that there is no insuperable constitutional barrier because, although there are constitutional questions of sovereignty, the issue in the end is whether that is an absolute barrier. If it is an absolute barrier, the position of the hon. Gentleman's party—saying, "We might join after 10 years"—is absurd. I know that that is not his position; he is the leader of the other Conservative party. However, it is an absurd position. We must decide first of all whether or not the constitutional question is an insuperable barrier. He says yes; I say no. I say that, in the end, if it is in the interests of British jobs, investment and industry, we do it; if it is not, we do not.

Dr. George Turner (North-West Norfolk): Does my right hon. Friend agree that the successful launch of a common currency is in the interests of all the industrialists who have been concerned about the high exchange rate? Does he agree that the actions of the Conservative party seem to be designed to discourage a successful launch of the currency, and are, therefore, against the interests of British industry and the British people? Does he further agree that this country needs to ask whether, although the City of London may be prepared for a common currency, our business and industry are properly prepared? Are we prepared not only for the challenges, but for the opportunities that it will present?

The Prime Minister: My hon. Friend is absolutely right. The problem with Opposition Members is that they—or, at least, some of them—want the euro to fail. Had we followed the course that I assume that they must be advocating, it would have been a complete disaster.

Yes, the City is largely prepared, but business and industry have far more preparation to undertake; that is why we are organising that now. They will deal with many companies and trading partners that will be dealing in the euro. Some people in this country will decide to deal in the euro. I have no doubt that people and businesses here will end up taking the euro. It is important that we make proper preparations, and that is precisely what the Chancellor is doing.

Sir Teddy Taylor (Rochford and Southend, East): Is not the real disaster for Europe the emergency of an army of 18 million unemployed, and the upsurge in the racial filth parties in France and Germany that always seems to go with mass unemployment? Will the Prime Minister remind his colleagues in Europe that when Britain endeavoured to get involved in this kind of thing with the exchange rate mechanism, we had to create an extra half a million unemployed? Will he make a point of reminding his colleagues in Europe that every attempt in the world to form a common currency among a number of countries—as in Scandinavia, Europe, Africa and Asia—has collapsed in massive unemployment and misery? Will he appeal to his colleagues in Europe to think about facts, about people and about the unemployed, instead of going ahead with what, quite honestly, appears to be utter nonsense?

The Prime Minister: Obviously, we shall not agree on the single currency, but I understand that unemployment in Europe is the big challenge. That is why we are putting forward a series of proposals, and making unemployment the main subject of the Cardiff Council. Of course there are countries, some of which propose to be part of the euro, which have low unemployment rates. One should not think that every country that wants to join the euro has high unemployment. It is important for us to have the right investment and education skills, and the necessary flexibility and encouragement of small businesses. We must be at the forefront in all those things.

I must say to the hon. Gentleman and those of his colleagues who are implacably opposed to the euro that it will affect Britain. We cannot put our heads in the sand and pretend that it will not exist. It is going to exist, and it is important that, whatever our view of the euro, we should make strong preparations to put ourselves in a position in which we can deal with its consequences and effects. I have set out the Government's position on the euro, and I do not need to repeat it. What is important is that we make preparations.

Mr. Tam Dalyell (Linlithgow): May I support my hon. Friend the Member for North Durham (Mr. Radice) in wanting to go in in the present circumstances, now, as soon as possible? Will the Prime Minister tell us in which year his elusive concept of the proper convergence is likely to occur?

I believe that my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) and I are the only two remaining Labour Members who voted in favour of our European Community entry in October 1971. Along with him, may I ask what is the proposal for shadowing the

[Mr. Tam Dalyell]

euro in the run-up period? My right hon. Friend has asked the Treasury four times about shadowing the euro; can the Prime Minister clarify the position?

The Prime Minister: In relation to shadowing the euro, as we have made clear, we will run our own exchange rate policy until such time as we decide that we want to change that in accordance with the criteria that we have set down. I am asked to name a year when there may be convergence. I do not think that we can name the year, but it is possible for there to be convergence between different economies. There is a large degree of convergence between France and Germany in terms of economic policy, growth and so on, so it is important that we make a judgment in the round on that. There is no economic convergence between Britain, and France and Germany at present. Therefore, if we join when the economics are wrong, we shall pay a heavy price.

People go back over the exchange rate mechanism experience. Perhaps the right lesson to learn from that is that, whatever the politics of the situation, the economics have to be right. I think that most people felt that that was the problem on the membership of the ERM; its timing was judged politically. Unless the economics are right, there is a problem.

Mr. John Butterfill (Bournemouth, West): I am sure that all hon. Members accept that the euro's success is vital to this country's economy and will wish the euro well, but that makes the issue of the corporate governance of the central bank even more important. The Prime Minister has said that there will be an important principle of rotation of board members, but will he confirm that Mr. Noyer, a Frenchman, will be the vice-president for the first four years, to be followed by Mr. Trichet, another Frenchman, who will be the president for eight years? When the Prime Minister embarked on his marathon lunch with Mr. Kohl and Mr. Chirac, where lunch went on to tea, then to dinner and then to supper, did he realise that they were going to have him for breakfast?

The Prime Minister: I cannot say that there was much lunch as far as I was concerned. Obviously, it is sensible to try to rotate members of the board. Some of the more critical comments that were made by some of the smaller countries were unsurprising because they did not have places on the European central bank board, but the question surely is whether we have the right people for the board. I think that we do because all of them are highly credible, able people. They have credibility in international banking circles. Both Mr. Duisenberg and Mr. Trichet are central bankers of huge repute. I repeat: it would have been far worse if we had blocked Mr. Duisenberg, thrown his appointment out, not had Mr. Trichet and tried to go for someone else. That would have been the wrong thing to do.

Mr. Stuart Bell (Middlesbrough): Will the Prime Minister note, in response to the question that was put to him by the hon. Member for Rochford and Southend, East (Sir T. Taylor), that unemployment in France fell below 3 million at the weekend and that forecasts coming out this week in Germany will show that unemployment is falling further there? Will he also note, in response to the Leader of the Opposition, who said that the markets were waiting for the Bundesbank to raise its rates, that the only rate that has risen today in the Europe Union is that of Denmark which, of course, is not a member?

Does the Prime Minister agree with my hon. Friends the Members for North Durham (Mr. Radice) and for Linlithgow (Mr. Dalyell) that this is a question of political commitment and political will, and that 11 nation states coming together at the weekend to indicate their determination to create a single currency on the back of a single market indicates the political will? The Prime Minister has indicated his own political will, when economic convergence arrives, when there is a referendum and when there is a yes vote. Does he agree that those who believe in the single currency and in the European Union should now begin their campaigns?

The Prime Minister: I am sure that my hon. Friend is right in saying that the single currency and the single market will be launched, and that the political will and commitment exist. He is also right in pointing out that the markets have reacted, contrary to the predictions that were made, with great tranquillity. I also think that it is important, when we talk about unemployment in other countries, even in respect of France and Germany, where there are high unemployment rates—although it is important to consider the fact that there are significant differences between east Germany and west Germany—not to be complacent about our economic position. If we compare the productivity levels of the British economy with those of France and Germany, we realise that this country has to do a lot of work. There is a danger that, because we are at a different stage of the economic cycle, we shall become complacent about our problems. If we consider French or German gross domestic product, we see that we still have a bit of a way to go.

Mr. Ian Taylor (Esher and Walton): The Prime Minister may not have had his best ever weekend during the past few days, but he may have found it ironic, as some of us did, that by behaving as he did President Chirac was doing what the British media think the British Prime Minister should do during summit meetings. Now that there will be 12 years of leadership in the European central bank under two expert governors, there remain two questions. First, how does the Prime Minister intend to manage the British economy so that we can enter economic and monetary union on the right terms and at an early date? Secondly, how will he influence the other 11 members of the single currency as they take decisions while we are not in it? Regardless of the fudge at the weekend on the Euro X committee, we shall not be party to some of the key decisions that will affect 80 per cent. of our home market in the European Union.

The Prime Minister: On the hon. Gentleman's last point, although we shall be present at the Euro X committee for any decisions that affect all 15 member states, it is right and inevitable that if we are not in the euro, we cannot participate in the decisions of the euro currencies. That fact must be faced.

As for managing the British economy for entry, it is important that we do so in a way that is right for our economy. The advent of monetary union has been a reason for some countries to take action on their budget deficit, public finances and monetary policy. It is worth

pointing out that some of those countries have made extraordinary progress in trying to meet the monetary union criteria. In Britain's case, it is important that we take these steps in any event. We are dealing with the budget deficit, taking action to squeeze inflation out of the system, and to have a stable and prudent monetary and fiscal policy. I think that our system of management should not change.

The hon. Gentleman referred to the position taken by the French. We could have tied the matter up at 2 o'clock on Saturday afternoon had we agreed to a split term, but we could not agree to that because it was in breach of the treaty. In the end, it was agreed that Mr. Duisenberg would be nominated for eight years. As I keep trying patiently to point out to hon. Members, Mr. Duisenberg had already said that he wanted to go early, and he could not be obligated to go on any particular date. He is free to stay for the eight years, but he has indicated his intention to leave earlier. That point was worth securing, and it was worth waiting for what in European negotiating terms is hardly a very long time.

Mr. Dennis Skinner (Bolsover): Will the Prime Minister give a guarantee that, despite the clamour from Labour Members, from the Liberal Democrats and from a few Tories for Britain to join the euro before the next election, which would be not a compromise but a failure of integrity by the Prime Minister and the Labour party generally, the matter will be resolved after the next election and after a referendum? If he is a betting man, would he like to put some money on whether this fellow Duisenberg, who will have four years, will last longer than the Leader of the Opposition?

The Prime Minister: The Tory party may be looking for a split term. We have set out our position clearly. We do not believe that there will be convergence during this Parliament. There will be a referendum; it will ultimately be the decision of the British people, and that is right. The position of the official Opposition nowadays—if there is such a notion—is that the pound should be lower, which is an odd position for the Conservative party to argue.

Sir Michael Spicer (West Worcestershire): Whatever the Prime Minister may say, is not the truth about the Duisenberg deal that this is the first time that Ministers have arrogated to themselves powers that are precisely defined in the treaty as resting elsewhere? Does not that bust apart the acquis communautaire?

The Prime Minister: A strange element comes out in the remarks of Members of the European Parliament, of certain people at the Bundesbank and of the hon. Gentleman. It should be made absolutely clear that the decision on the appointment of the head of the central bank and the board is a political one. It is a political appointment. With the greatest respect to Europe's central bankers, it is not their appointment, it is ours, the politicians. Once the appointment has been made, it is a matter for the central bank, and it will have independence. I therefore find odd some of the European Parliament's criticism and questioning of why a political deal is being done. It is a political deal, as that is its very purpose. Power to nominate the members of the central bank has been given to politicians, not to bankers, because it is a political deal. I had always thought that people sharing the hon. Gentleman's political perspective argued that that was the right thing, not the wrong thing, to do.

It is important that we say to Europe's central bankers: "You have your place in this system—once nominated, you will serve, and serve independently—but you do not take the decisions on nomination. We take the decisions."

Mr. Rhodri Morgan (Cardiff, West): Does the Prime Minister agree that this weekend's events were effectively a search for Europe's equivalent of Alan Greenspan, chairman of the Federal Reserve, and for someone who is as committed to fighting inflation as to ensuring full employment? To use the old American phrase: we want sound money, and plenty of it. Will the Prime Minister explain how the weekend's events have moved us forward in finding Europe's Alan Greenspan?

The Prime Minister: The short answer to that question is that it depends on the credibility of the two people who will be running the bank, effectively for 12 years or more. I do not think that anyone doubts that both Mr. Duisenberg and Mr. Trichet are eminently credible people. Therefore, as I said, once we blow away the froth and speculation about the matter, we get down to the fact that, for 12 years, we shall have credible and strongly disciplinarian central bankers.

It is odd that, on various parts of the political spectrum, people are saying that Mr. Duisenberg should have been forced to stay on for the full eight years, as if that would somehow assist the situation. Surely the best situation is one in which the person who has been overseeing the euro's preparations carries through those preparations to their reality, and then—as he has already said that he wishes to do—steps aside for another highly respected central banker, who will perform exactly the type of role performed in the Federal Reserve, as described by my hon. Friend. The euro's credibility will rest on those people's credibility.

Mr. John Swinney (North Tayside): The Prime Minister, in confirming the Government's stance on economic and monetary union, has effectively confirmed conditions that are likely to lead to the pound remaining strong for some considerable time. What consideration do the Government plan to give to the position of manufacturers and exporters—who will have to cope not only with those trading conditions in the next two to three years, but with the difficulties of convergence with the euro at some time in the future? What action will the Government take to ease the burden faced by manufacturers and exporters, to provide realistic and fair trading conditions for important United Kingdom companies?

The Prime Minister: The euro is not the only reason for a strong pound. As events of the past few days have shown, much more than the euro issue is behind the strong pound. It is important that we do not think that a lower pound is the answer to all manufacturers' problems. If the pound becomes unnaturally high at certain points—about which people can argue—it will, of course, cause difficulties. Ultimately, however, the single most important thing is that action is taken on investment and productivity to raise the standard and quality of British industry. As I said, we still have a way to go on that matter.

[The Prime Minister]

The best thing that we can do is not to try to intervene and artificially to devalue the pound—which is the policy currently being advocated by the Conservative party—but to ensure that we do not return to the boom-and-bust instability that resulted, at the end of the 1980s and in the early 1990s, in interest rates of 15 per cent., in the deepest recession that the United Kingdom has had, in record borrowing and in record bankruptcies. That is not a way in which to run the economy.

Mr. David Winnick (Walsall, North): Does my right hon. Friend accept that there will be little interest or excitement in the United Kingdom about who heads the central bank, and that that is not the dominant issue in people's minds? The dominant issue is largely whether a single currency will help or hinder jobs, prosperity and growth. Does he accept that that is the really substantial issue, and that—although certainly not at this moment—the British public will have to be persuaded that a single currency would be in the overall economic interests of our country?

The Prime Minister: My hon. Friend is right. The issue, whether Britain is in or out, is whether a single currency is good for British jobs, investment and industry. It is in our interests to have a strong euro, which is why the decisions made at the weekend are right. I doubt whether people are discussing the relative merits of Mr. Duisenberg and Mr. Trichet in the country's clubs and pubs, but they understand that it is important that the euro is strong, and the decisions made at the weekend will strengthen it.

Sir Peter Emery (East Devon): The right hon. Gentleman said that it is essential for Europe that the euro is a success. If that is the case, ought not the Government to be doing everything possible to make it a success? If that is so, two questions arise. First, would not that success be more quickly achieved if Britain entered sooner—as soon as possible? Secondly, as many European countries have had to impose stringent financial and monetary disciplines to qualify for entry, what specific cost does the Prime Minister think would arise from the changes to Government policy on financial and monetary structures that would be necessary for Britain to enter?

The Prime Minister: I agree with the right hon. Gentleman that we have to try to do everything possible to make the euro a success. That is why I thought that, however messy the process, it was extremely important on Saturday to sort out the ECB and decide on credible people. We can promote economic reform in Europe and place the emphasis on education and skills rather than on over-regulation as the best way in which to produce a competitive market.

The disciplines that Britain would be required to follow are those that we should be following in any event. It is important that we run essentially stable and prudent monetary and fiscal policy. That is why we gave the Bank of England independence over setting interest rates. Interest rates have had to go up—rightly—to squeeze inflation out of the system. It is interesting that long-term interest rates are now below the levels that we inherited on 1 May 1997. That is because there is greater credibility in the system. By being financially prudent, we have almost eliminated the country's structural debt. Those are the actions that we would need to take if we wanted to join the euro; my point is that it is worth taking them in any event.

Dr. Lynne Jones (Birmingham, Selly Oak): I listened in the previous Parliament to prime ministerial statements after a European Union summit. It is clear that my right hon. Friend's predecessor would have been very pleased to have made this statement announcing decisions that have been greeted in the markets with such calm. Surely everyone agrees that it is vital that the euro is seen as a strong currency. Would not there have been greater confidence in the common currency if Britain had joined in the first wave? How can it be said that the economies of Italy and Belgium are more convergent than that of the United Kingdom with those of Germany, France and the Netherlands?

The Prime Minister: On my hon. Friend's second point, we must make decisions in our national economic interest. The problem with our economy at present is that we are at a different stage of the economic cycle from France and Germany. We have been at the peak of the cycle and they have not, which is precisely why interest rates are far lower in France and Germany than in Britain. We are not convergent in the way we need to be.

Cliffhangers such as those in the negotiations at the weekend happen all the time in Europe. The issue is whether we get the right result in the end. My hon. Friend is right to say that the result is better for Britain and for Europe.

Sir Peter Tapsell (Louth and Horncastle): Is the Prime Minister not being disingenuous in pretending that he cannot understand the simple legal and political fact that article 109a of the Maastricht treaty invalidates the appointment of anyone to be president of the European Central Bank who is not intending and hoping to serve an eight-year term?

As on these occasions, Back Benchers are now briefly allowed to quote, may I remind the Prime Minister of what I said to his Treasury Ministers on 23 April?

"Is the Economic Secretary aware of the widely reported horse-trading going on between Germany and France, to the effect that whoever is appointed, whether the French or German nominee, will agree to step down after four years—despite the fact that the Maastricht treaty lays down that it should be an eight-year-term—to make way for the nominee of the other great power? Is that not an augury of the way in which Europe will be run in future; Germany and France will stitch everything up"—[*Official Report*, 23 April 1998; Vol. 310, c. 962.]—

Madam Speaker: Order. The regulations state that quotations must be very brief, but the hon. Gentleman is being very long-winded. Will he please come to his question?

Sir Peter Tapsell: My question is this: is not what I predicted 12 days ago exactly what has happened under the ineffectual presidency of this British Prime Minister?

The Prime Minister: When we as politicians are driven to quoting our previous speeches, there is always

a bit of a problem. I simply say to the hon. Gentleman that he is wrong about this. The eight years is the period of nomination. There is nothing in the treaty that says that the person is obliged to serve for the full eight years. If he reflects on that for a moment, he will see that that would have been a slightly odd thing to have required. He talks about horse-trading. There was not horse-trading; there was a simple clash. I shall explain it again.

The clash was not about whether Mr. Duisenberg retired early; he had always made it clear that he wanted to do that. The issue was whether he should be obligated—in other words, that we should have a split term, which was what one of the countries was advocating. The issue took 10 hours to resolve because Mr. Duisenberg, backed by the British presidency and by other countries, refused to say that he would step down on a specific date. As a result of the agreement, he does not have to go on a specific date. He has indicated his intention, but he is not tied to any particular date, and it is entirely up to him when he goes.

Dr. Julian Lewis (New Forest, East): But what if he changes his mind?

The Prime Minister: The hon. Gentleman shouts out that Mr. Duisenberg could change his mind. That was the very question that I was asked at the press conference after the meeting, and I answered yes. That is so, which is why it is not in breach of the treaty.

The right hon. Member for East Devon (Sir P. Emery) says that politics is involved. I find it odd that he, from a right-wing perspective and others from a left-wing perspective—some in the European Parliament—say, "Isn't it disgraceful that there has been politics in the appointment of the head of the European central bank?" My answer to that is no. Under the treaty, the politicians decide the head of the central bank. Under the treaty, the politicians decide what should be the case. Once appointed, it is for the central bankers to be independent. I make no apology for the politicians having decided this. The politicians should have decided it—and we did.

Mr. Bill Rammell (Harlow): Does the Prime Minister detect any logic and coherence in a political position that, first, opposes operational independence for the Bank of England, secondly, criticises the appointment procedure for the president of the European central bank on the ground that it will undermine operational independence and, thirdly, opposes the general principle of a single currency because politicians will not have day-to-day control? Do not those policy prescriptions, which, by the way, are those of the Conservative party, show how far from power that Opposition party is on this national and crucial issue? Is not it a travesty and an undermining of confidence in the parliamentary process that the Conservative party will use any argument, any time, anywhere to undermine the single currency, regardless of the consequences for this country and the economies of countries throughout Europe?

The Prime Minister: My hon. Friend is quite right. On Sunday morning, the shadow Chancellor was saying that the pound was going to go through the roof. It is simply an indication of how much credibility the Conservatives have left that it did not move an inch on Monday.

Mr. David Curry (Skipton and Ripon): The Prime Minister would have come out somewhat better from this inglorious episode if, instead of pretending that everything in the garden was lovely and that an absolutely super weekend was had by everybody, he had acknowledged that horse-trading is at the heart of international organisations—the European Union—and that the job of the presidency is to manage it. Does he agree that what matters is the outcome? If the single currency is successful, no one will care a hoot about its origins five years from now. Will he say whether Mr. Duisenberg's eventual resignation is political, moral, legal or aspirational, and how he intends to manage the Chancellor's five tests?

The Prime Minister: I agree with the right hon. Gentleman on his first point. In fact, I may even agree with him altogether—we shall have to wait and see. I am not saying that the weekend was wonderful. He has been at such negotiations as a Minister, so he knows that they are extremely difficult and protracted. The problem arose precisely because we were not going to say that Mr. Duisenberg had to step down on a particular date. The meeting could have been tied up at 2 o'clock in the afternoon and we could all have gone home—which would have suited me fine—but people were not prepared to give on that basic question of principle. I entirely agree that what matters is a good outcome.

The right hon. Gentleman asked whether Mr. Duisenberg's resignation would be political, moral, aspirational or whatever. The resignation will be personal—if Mr. Duisenberg decides that he wants to go, that is when he goes, as was made very clear in his personal statement, and in what I said as president both in the Council and at the press conference afterwards.

The right hon. Gentleman asked how we would manage the Chancellor's five tests. We shall manage them according to the criteria that we set out. The tests come down to same issue, so the basic question will be whether there is sustainable economic convergence between Britain and the other main countries in Europe. If there is, the tests will be satisfied; if there is not, they will not be satisfied.

Points of Order

4.40 pm

Mr. Douglas Hogg (Sleaford and North Hykeham): On a point of order, Madam Speaker. Have you received an application from the Foreign Secretary to make a statement to the House on the allegations that the Foreign Office has been involved in a coup in Sierra Leone? The allegations are serious and the House needs to know what they are. Furthermore, it would be right for the House to express a view on the need for an independent element in the inquiry. This is the third or fourth time that a point of order has been made about the unwillingness of the Foreign Secretary to make statements to the House to account for his doings in office.

Madam Speaker: I was not informed today that the Foreign Office or any other Department wanted to make a statement on the issue raised by the right hon. and learned Gentleman. If there was to be a statement, it would have been on the Annunciator by lunchtime today.

Mr. Malcolm Savidge (Aberdeen, North): On a point of order, Madam Speaker. As I understood it, the Leader of the Opposition said from a sedentary position that he would have blocked Mr. Duisenberg's appointment. As that comment was referred to later, am I correct in thinking that it should be recorded in *Hansard*?

Madam Speaker: These are matters for argument. *Hansard* knows perfectly well what it should record—the Editor does not need to be instructed by me.

Mr. Michael Fabricant (Lichfield): On a point of order, Madam Speaker. You were very generous—as was the Prime Minister—in allowing one hour and 10 minutes for the statement, but, as you are aware, a number of people were not called to ask questions. Can you do anything to encourage not only hon. Members to ask brief questions but the Prime Minister not to filibuster with such long, repetitive answers?

Madam Speaker: I do not accept the hon. Gentleman's premise that the Prime Minister filibusters. Answers—and, indeed, questions—are often long on complicated issues such as this. One thing that I do to help is to keep a list of all hon. Members who have stood up throughout. When a similar statement is made, or there is a debate on a similar issue, I always see to it that those hon. Members have priority.

As I am on my feet, let me give some information of which many hon. Members are probably not aware. It is not the custom of the House for the Speaker to keep the Prime Minister, from whichever political party, at the Dispatch Box for longer than an hour. I try to abide by that, but, as the House has observed, I kept the Prime Minister here longer today because of the importance of the statement. I am sorry that I could not call all hon. Members. As I said, I have a list and I know hon. Members' interests. I think that it can be said that I called hon. Members from both sides of the House with very differing views on this issue—they were carefully selected.

Registration of Dogs

4.43 pm

Mr. Richard Allan (Sheffield, Hallam): I beg to move,

That leave be given to bring in a Bill to establish a scheme for the compulsory registration of dogs; and for connected purposes.

It is now a decade since the registration of dogs was finally abandoned. The scheme that was dropped had been introduced some 200 years ago as a tax for the Navy when we were at war in various conflicts with our current European partners—from the comments that we heard today, I take it that some hon. Members still hark back to those glorious Napoleonic days. The scheme that was abolished had largely fallen into disrepute and had become a bureaucratic burden with little idea of its purpose.

My Bill would not reintroduce a scheme of that nature, but significant advances have been made that would make a new scheme both sensible and timely. In particular, I shall argue for a scheme that combines registration and identification functions, as I believe that only by fulfilling both purposes can the measure be effective.

In introducing the Bill, my arguments will fall into three groups. First, I shall set out the benefits that I believe the measure would bring—in proposing legislation, one must always keep a clear idea of its goals. Secondly, I shall describe the schemes that could usefully form part of the detailed provisions of the Bill. Thirdly, I shall try to allay some of the concerns of those who are not yet convinced of the need for registration.

Arguments for registration fall into three classes: first, that it would benefit the animals; secondly, that it would benefit their owners; and thirdly, that it would benefit the wider public. According to a wide range of opinion, the establishment of a clear legal link between each dog and its owner would add greatly to animal welfare, by encouraging responsibility among owners.

The Royal Society for the Prevention of Cruelty to Animals recently reported an increase in animal cruelty—in 1997, there were 1,092 of cruelty to dogs, an increase of 892 from 1996. One of the greatest causes of frustration is the difficulty in preventing those who have successfully been prosecuted and banned from keeping dogs from so doing. I hope that a comprehensive registration scheme would make it more difficult for a banned owner to keep a dog against the law.

If dogs were registered on a suitable scheme, those involved in accidents could swiftly be traced to their owners and vets. Dog welfare could be promoted by using a database to send owners information on, for example, an alert on diseases in an area or, more generally, on subjects such as neutering.

A further important development would be to eliminate the need for quarantine when animals travel from certain countries. Most people would welcome such a move, which would benefit animals and owners alike. To ensure public confidence in dispensing with our traditional protection against diseases such as rabies, we need far more information about the individual animals that would be exempted from quarantine. A reliable system of animal identification is essential if, as I hope, we are to proceed along those lines.

Registration could also reduce the number of strays that face destruction. That number is estimated to be about 100,000, which represents a terrible indictment on a nation that professes to consist of animal lovers.

Principal among the benefits of registration to owners would be anything that helped their pets, such as can be seen in voluntary schemes such as PetLog, which is operated jointly by the Kennel Club, the RSPCA and the Scottish Society for the Prevention of Cruelty to Animals. Dogs that are logged on to such a database can be returned to their owners swiftly, minimising the distress that can be caused by a lost pet. Owners may receive added value benefits from information that is held on databases, such as genetic data for breeding or vet bill insurance services.

The advantages to the wider public would be manifest in a number of areas, principally in dealing with the problems of biting, fouling and causing road accidents. Liability needs to be established in all those cases, which can be a major problem under the current unregulated system. It has been estimated that the costs of dealing with problems that result from uncontrolled dogs run into millions of pounds.

The main arguments against registration include cost to the individual, an increase in unnecessary bureaucracy and the fact that irresponsible owners will continue to evade registering. I hope that there will be widespread consultation on costs. To keep registration costs in perspective, they should be set against the total costs of dog ownership. I hope that I shall not put off people from owning pets by referring to RSPCA estimates that total costs are £7,324 for the 12-year life span of a dog—I am certainly making the most of my two cats now that I have seen estimates that they will cost more than £7,000 each during their lifetimes.

Developments in technology mean that the costs may be far lower than expected, and we should be able to avoid problems of unnecessary bureaucracy. Microchipping has proved an effective means of dog identification. A chip the size of a grain of rice is placed beneath the skin and can be scanned on a hand-held device to give an identification code. When I first heard of microchipping, I had visions of people in the dog rescue centre waving dogs across something akin to a supermarket checkout; but cheap hand-held devices are already carried by most dog wardens.

The RSPCA routinely microchips any animals that go through its homes. In an example to the nation, the Blue Peter dog was chipped some years ago, bringing us a long way forward from sticky-back plastic and ordinary household glue solutions. I do not favour making the microchip compulsory and would allow other, appropriate forms of identification, but its widespread use may be a significant factor in keeping costs down as many owners choose it for their own convenience.

For reasons of utility, and with an eye on costs, I would favour a national database, rather than having each local authority set up its own infrastructure. The Kennel Club already operates a database of more than 4 million dogs. Set against the total estimated dog population of about 6.5 million, that demonstrates the feasibility of a national scheme.

With today's technology, computerised schemes can be operated far more cheaply and effectively than 10 years ago. In keeping with the times, it may make sense to require dogs to be registered with a scheme approved by the Secretary of State, rather than setting up an entirely new infrastructure in the public sector. Several possible solutions exist within the framework of a national database with local access points.

Some owners are irresponsible, but the problem of evasion does not lead us to abandon the licensing of shotguns or the registration of cars. We are all irritated at the thought of evasion by some who should be paying their dues, but the additional identification functions will make evasion less likely, and a national database system can be used to identify and follow up problems of under-registration.

I would expect wide consultation on the cost, particularly with a view to exemptions for those groups, such as older people and the disabled, who clearly cannot afford to pay. Perhaps animal welfare organisations that offer cheap or free services—neutering, for example—for the pets of people on low incomes could offer procedures such as microchipping as a low-cost registration option.

Public acceptance of registration is demonstrated in opinion polls that show that as many as 90 per cent. of people, including dog owners, are in favour of such a scheme. The examples abroad are legion. Denmark and Sweden already operate schemes that they believe to be a major success.

When we last had a dog registration scheme, it was based on a structure old enough for the fee to be expressed as a pre-decimal sum: 7s 6d, or 37½p. Through the Bill, we may introduce a new identification and registration scheme before its fee has to be valued in euros, whenever that may be.

Question put and agreed to.

Bill ordered to be brought in by Mr. Richard Allan, Jackie Ballard, Mr. Chris Mullin, Mr. Roger Gale, Mr. Edward Davey, Mr. Andrew F. Bennett, Mr. Tim Loughton, Dr. Evan Harris, Mr. Ivor Caplin and Mr. Phil Willis.

REGISTRATION OF DOGS

Mr. Richard Allan accordingly presented a Bill to establish a scheme for the compulsory registration of dogs; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 3 July, and to be printed [Bill 183].

Orders of the Day

Magistrates' Courts (Procedure) Bill *[Lords]*

As amended (in the Standing Committee), considered.

Order for Third Reading read.

4.53 pm

The Parliamentary Secretary, Lord Chancellor's Department (Mr. Geoffrey Hoon): I beg to move, That the Bill be now read the Third time.

The Bill proposes modest changes in the law relating to procedures in magistrates courts. Modest though it may be, it has considerable potential for reducing burdens on the courts and the police, and securing reductions in delay in magistrates courts. It may be helpful if I describe the present procedures and how the Bill may improve them.

Section 12 of the Magistrates' Courts Act 1980 allows defendants, for certain offences, to submit a guilty plea to the court by post. The majority of such "guilty by post" pleadings are for summary road traffic offences. The magistrates courts deal with about half a million such cases each year. Offenders who are ready to admit their guilt and accept the penalty of the law for their offence may do so quickly and save their own time and that of the court.

In 1994, an efficiency scrutiny examined ways in which to reduce administrative burdens on operational police officers. It reported the results of one survey showing that 38 per cent. of those summoned under the procedure returned guilty pleas to the court; but the survey also found that almost as many defendants—35 per cent.—made no reply to the summons at all.

Some people will not respond for innocent reasons, and, for them, the law provides full remedies; but for many defendants ignoring a summons is simply a way of avoiding responsibility and staving off the day of reckoning. At present, when a summons gets no response the only option is to adjourn the case. Further steps are then necessary to bring the defendant to court or to proceed in the defendant's absence if there is still no response.

The summons includes a statement of facts: a very short summary of the case as recorded by the police. That is sufficient for the defendant to acknowledge guilt by post, but it is not evidence, so when there is no response to the summons the court must presume the innocence of the absent defendant, and the Crown Prosecution Service must take over responsibility for prosecution and will adduce evidence to substantiate the case.

Evidence may be in written statements meeting the requirements of section 9 of the Criminal Justice Act 1967, or given orally by witnesses at court. All those who want to plead not guilty will have their cases heard in the usual way.

Each summons ignored puts an extra burden on the police, the prosecution and the courts. The efficiency scrutiny proposed that the police should prepare a witness statement, conforming to section 9, and serve it with each summons. That would ensure that admissible evidence was available at the first listed hearing, whether the defendant responded or not.

Clause 1, as originally drafted, provided for that by allowing a defendant to submit a plea of guilty when either statements of fact or section 9 witness statements have been served with the summons. When a statement of facts is served with the summons, the procedure for a guilty plea will be as it is now.

When a section 9 statement is served with the summons, it may be used as an account of the facts for a plea of guilty by post; if there is no response to the summons, it can be used by the prosecutor to prove the case on the first listed day. In its original form, clause 1 required a witness statement used as an account of the facts to be read in full by the court clerk even though the defendant had clearly stated that he wished to plead guilty.

Reading a full witness statement takes longer than reading a statement of facts, because it is a full account of what a witness saw, heard and did. Such statements are prepared to prove the case in the event of a not guilty plea, or when the defendant fails to respond. In speeding cases, the statement will often include such detailed information as what a police officer did to check the accuracy of the speedometer in a patrol car. That is included to rebut any suggestion that the equipment is faulty, but the court does not need to hear such detail when the defendant has admitted the offence.

In a busy court, the cumulative effect of reading each statement in full could reduce the savings in time and costs created by the new procedures. Several practitioners drew the Government's attention to that drawback. The Government accepted that in a guilty plea case a full reading of the statement was not necessary and could lead to court time being wasted.

Accordingly, the Government made two amendments to clause 1 in Committee. The Bill, as reported, includes those amendments. They stipulate what is read to the court by the clerk in guilty plea cases. When the summons is served with a statement of facts, the court clerk will read that statement, as happens now.

When the summons is served with a witness statement, the clerk will either read that witness statement aloud or, if the court so directs, give an oral account of the part of the statement that has not been read aloud.

Mr. David Curry (Skipton and Ripon): Does the Minister agree that the sensible place to try speeding offences would be in magistrates courts that lie close to motorways? In that case, is not Ripon ideally suited to deal with driving offences on the A1(M)?

Mr. Hoon: I have commented to the House before on the right hon. Gentleman's ingenuity in raising matters affecting his constituency. I am sure that, if he adds to the considerable volume of correspondence that arrives on my desk at regular intervals from his constituency, I will be able to answer him in detail at an appropriate stage.

The court will always control the proceedings, and the clerk may not summarise or give an oral account of what is in the statement without express authority from the court.

The Bill makes two further modifications to the procedure for dealing with motoring offences, and these were set out in detail in Committee. I hope that the House will be satisfied that we have dealt with the matters in some detail, but I can certainly respond to any questions from right hon. or hon. Members about those matters.

The main change in the Bill has been tested. Following the efficiency scrutiny, pilot projects were established in Gloucestershire and Lancashire to test using witness statements in place of statements of fact. These ran from early September 1996 to late March 1997. The statement of facts procedure was replaced by concise witness statements served on the defendant with the summonses. Some 53,000 minor motoring cases were prosecuted using the streamlined procedure. This proved remarkably successful for all the agencies involved. Up to 77 per cent. of cases were finalised—that is, proved and sentenced—at the first hearing, and up to 86 per cent of cases were proved at that hearing.

Dramatic reductions in the number of adjournments were achieved. In Gloucestershire, the average number of hearings per case fell from 4.67 to 1.35, and in Lancashire the average fell from 3.15 to 1.22. Significant reductions in the average time taken from the date of the offence to finalisation at court were also achieved. In Gloucestershire, the average time fell from 144 to 95 days, and in Lancashire, it was down from 139 to 84 days.

All the agencies involved in the pilots have indicated their clear support for the proposals in the Bill. In summary, the Bill is a practical measure, bringing procedural changes which will benefit all participants in the court process. The rights of offenders are preserved, but they will be dealt with more swiftly, reinforcing the connection between the offence and its consequences. The reduced administrative burdens on the agencies will free resources which may be deployed on other work. The Bill has been welcomed by practitioners, has been refined and improved during its passage to date and has proved uncontroversial. I hope that the House will be able to give these measures the same support it has previously given, and which the Bill has received in another place.

I commend the Bill to the House.

5.1 pm

Mr. Edward Garnier (Harborough): At about 4.53 pm, the Minister said that this was a modest Bill, but it is a short and valuable one whose merits are self-evident.

The Bill represents the high point of the Lord Chancellor's Department's year. This is the first measure the Department has got through all stages in the House of Commons. There was a little difficulty in Committee when the Minister failed to bring sufficient numbers of his Government team to constitute a majority. Being a good-natured fellow, I, along with the hon. Member for Torridge and West Devon (Mr. Burnett), did not seek to defeat the Government on this mammoth Bill; not least because the measure was invented by my noble Friend Lord Mackay of Clashfern—the previous Lord Chancellor.

I congratulate the Minister for two reasons; first, on arriving here mostly unscathed, and secondly, on bringing into law a valuable measure which was designed and drafted in the era of a Tory Government. I do not wish to say any more about the Minister than is good for him because he is easily embarrassed, but I just want to underscore the fact that the Bill represents the high point of his Department's efforts.

During the progress of the Bill through both Houses over the past few months—and during the times we have watched and listened to the Minister make the same speech that he has just made—we have had to watch him with our other eye as he has tried to justify the Department's reforms of the legal aid system and the introduction of compulsory conditional fee arrangements. If the Bill represents the high point, last week represented the low point of his Department's activities. The Department planted a question that had as its intent the intellectually dishonest purpose of distracting the eyes of the public and the House of Commons from the thrust of the Government's legal aid reforms.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I hope that this will be the widest point of the hon. and learned Gentleman's remarks. He must remember that we are debating the Magistrates' Courts (Procedure) Bill.

Mr. Garnier: I would describe this as a needle point which goes to the very heart of the policy of the Department. It explains why I welcome the Bill, which represents the high point of the Department's work this year. As I have suggested, the way in which the Department has handled this and other business this year has been breathtaking, and the Minister ought to be congratulated on that. I do not wish to carp because the Minister has had enough trouble this year. May I extend the congratulations of the official Opposition on his safe conduct of the Bill? I trust that it will receive its Royal Assent at the earlier opportunity.

5.5 pm

Mr. John Burnett (Torridge and West Devon): The Liberal Democrats also support the Bill. In response to points I made in Committee, the Minister has said that the consequences for defendants of not responding to summonses should be clearly and vigorously set out in the documentation, and that is very important. We are still concerned that, in an increasingly mobile and cosmopolitan age, adequate steps should be taken to ensure that, for example, members of the armed forces—who can often be away for months on end—are not unfairly convicted. I hope that the Minister will address that point, but, as I have said, we very much support the Bill.

Question put and agreed to.

Bill read the Third time, and passed, with amendments.

Late Payment of Commercial Debts (Interest) Bill *[Lords]*

Order for Second Reading read.

5.6 pm

The Minister for Small Firms, Trade and Industry (Mrs. Barbara Roche): I beg to move, That the Bill be now read a Second time.

I am delighted to bring the Bill to the House today. The Government have made it clear that the Department of Trade and Industry is the Department for all businesses and that everything possible will be done to promote enterprise and assist smaller firms. A healthy, vibrant small business sector creates wealth and employment, generates new ideas and products and is the bedrock of a successful enterprise economy.

The sector is crucial to UK competitiveness. Small firms lie at the heart of the Government's economic strategy. The Government will do all that we can to deliver the right conditions in which small businesses can thrive and grow. That is why our small firms manifesto, "Growing and Prospering", committed the Government to deliver a right to claim interest on the late payment of commercial debt.

The Gracious Speech of 16 May 1997 announced that legislation to provide that right would be brought forward in this Session. We have kept that promise. Our commitment to this measure is a mark of our commitment to the small firms sector. Our Green Paper, "Improving the Payment Culture: A Statutory Right to Claim Interest on Late Payment of Commercial Debt", published on 28 July 1997, set out our proposals.

The Bill is a vital element of a package of measures that will change the payment culture. The Bill will provide businesses with the additional statutory tool many have been asking for to combat the abuse of their trade credit.

I must note the crusading work of Stan Mendham of the Forum of Private Business. He has championed the need for a statutory right to interest for many years. The last Government may have been indifferent to the needs of the small businesses represented by organisations such as the Forum of Private Business, but I can assure the House that this Government are not.

Mrs. Cheryl Gillan (Chesham and Amersham): I also would like to pay tribute to the Forum of Private Business, which has advised me on the matter. However, could the Minister name all the other business organisations—particularly those representing small businesses—which are completely in favour of the Bill?

Mrs. Roche: I thank the hon. Lady for her tribute to the forum; I am sure that it will be greatly appreciated. I note her long-standing commitment to the principle of a statutory right to interest: on 22 March 1994, when she was a Back Bencher, she contributed to an early-day motion calling for a statutory right to interest, although, unfortunately, the previous Government, of which she became a member, refused to implement that. Therefore, I am grateful that she is on the Opposition Front Bench today to congratulate us on our action.

In response to the hon. Lady's question, I can tell her that we consulted all the small business organisations in connection with the Bill. She will know that, in doing so, we have established the better payment practice group, to which all those organisations belong. The small business community and its organisations realise that the Bill is an important part of a package of measures designed to bring an end to late payment. She will also know that all the surveys show overwhelming support among small businesses for a statutory right to interest. That right will be automatic, but the exercise of the right will be voluntary.

Mrs. Gillan: What the Minister does not realise is that when legislation on statutory interest on debt was examined, many business organisations said that it would not help in respect of the late-payment culture. She will know that the previous Government made great efforts to tackle that culture, many of which were extremely successful. Do the Federation of Small Businesses and the Small Business Bureau fully support all of the proposals contained in the Bill?

Mrs. Roche: The hon. Lady will know, from past consultation, that there have been some shifts in the attitude of small business organisations: at times, some have supported a statutory right to interest while others have not. We have been successful this time in having consulted small business organisations every inch of the way during the passage of the Bill. We are grateful for the support that those organisations have given.

I have to take issue with the hon. Lady's remarks about the previous Administration. She will know of the boast of the former Deputy Prime Minister, the right hon. Member for Henley (Mr. Heseltine), of having strung along his creditors and his saying that that was the secret of his business success. I am sure that she would dissociate herself from that comment.

Mr. Richard Page (South-West Hertfordshire): Will the Minister give way?

Mrs. Roche: Of course I shall give way to my predecessor.

Mr. Page: The Minister is being unfair to my right hon. Friend the former Deputy Prime Minister, who is a person who built up his business. He was explaining what happens when a company gets into a position, not of being unwilling to pay, but of being unable to pay. He was describing the sort of thing that a company will do in order to survive; he was not describing callously stringing the customer along, but stating his understanding of the difficulties facing small businesses. I wish that the hon. Lady, along with her ministerial colleagues, would not misrepresent my right hon. Friend's remarks.

Mrs. Roche: The hon. Gentleman, with his customary generosity, does a good job defending his right hon. Friend, but those comments did a great deal of harm, set entirely the wrong tone and went down very badly with the small business community.

In setting out the legal context to the Bill, I should note that the issue of interest is not new. In 1893, Lord Herschell, in the London, Chatham and Dover Railways case, expressed strong sympathy with a claim for interest. However, despite his sympathy for the plaintiff, he found that interest could not be claimed under the existing Civil Procedure Act 1833. Forty-one years later, the legislature

passed the Law Reform (Miscellaneous Provisions) Act 1934, which provided a power to include, in any judgment on any debt or damages, interest at a rate thought fit from the time when the cause of action arose to the date of the judgment.

In 1974, the Lord Chancellor, Lord Elwyn-Jones, asked the Law Commission:

"To consider the law and practice relating to interest on debt (where interest has not been provided for by contract) and on damages, and to make recommendations".

On 7 April 1978, the Law Commission made its report to the then Lord Chancellor, including a draft Bill which, had it been adopted as a whole, would have provided a right to claim interest where a debt is paid late, but before or during any proceedings, up to the point when a money judgment is given. In 1982, the then Government saw fit only to give effect to part of that draft Bill. The Administration of Justice Act 1982 amended the Supreme Court Act 1981 to provide the courts with the discretion to award interest where a debt was paid late after proceedings had begun, regardless of whether or not the proceedings concluded in a judgment on the principal debt. Of course, that still left suppliers who were paid late, but before proceedings were issued, unrecompensed for being kept from their money.

It is 165 years since the Civil Procedure Act 1833 began the development of formal law on the provision of interest on late-paid debts. The Bill returns to the recommendations of the Law Commission in 1978 and finally gives all suppliers, regardless of when they are paid, the right to claim interest on late-paid commercial debts. The evolution of legislative measures to combat late payment shows us that the right we are proposing is a fundamental necessity and long overdue. The Government believe that late payment is wrong, both economically and ethically, and that the time to act and provide the right contained in the Bill is now.

Late payment, or simply not knowing whether one will be paid on time, damages confidence among small businesses, damages cash flow and acts as a barrier to growth. Uncertain cash flow adds to the cost of borrowing for the smaller business, which discourages investment and adversely affects growth and competitiveness. In some cases, the very future of the small business is threatened. Recovering debts imposes further expense that small businesses can ill afford in terms of both costs and diverted resources, particularly where court action is required. The Government are conscious that small businesses are particularly vulnerable to the harm caused by late payment. Small businesses are often highly geared, relying on short-term loans and overdrafts for working capital, so cash flow problems caused by late payments can have an immediate negative impact on many small businesses.

Research undertaken by Grant Thornton has shown that, in countries where businesses actually use legislation for statutory interest, there are often shorter payment periods.

Mrs. Gillan: Given what she has just said, can the Minister explain the position in Spain, where the contractual period is 68 days and payments are made after an average of 74 days? Can she explain that anomaly?

Mrs. Roche: Yes. The problem is that, in different European countries, there are different legislative systems and different payment periods arising either from contract or common practice. The UK's late payment period is longer than that of the average European Union country.

Mrs. Gillan: Looking at the Spanish position, does the hon. Lady admit it is possible that a statutory right to interest could extend the contractual period?

Mrs. Roche: No, not given the way in which we have drafted the Bill. The hon. Lady is right to mention that point—it is one of the issues raised whenever a statutory right to interest is discussed. We looked seriously at the issue and provided for it in the Bill; if I am allowed to make a little progress, I shall explain those provisions.

The regulatory appraisal published by my Department in December last year demonstrated the extent of the problem. The same appraisal reported studies which related to the harm that late payment causes small business. Let me give one or two examples. In a 1996 Intrum Justitia-sponsored NOP survey on European payment habits, 72 per cent. of respondents showed that overdue debts caused them a problem or serious problem with their cash flow. In the same study, loss of profit as a consequence of late payment was cited by 62 per cent. of respondents as a serious problem.

I am sure that the House shares the Government's view that late payment is not just a question of economics. There are strong ethical arguments that necessitate action to combat late payment and improve the payment culture.

Paying late is wrong and unfair. Any business that pays late as a matter of course is effectively saying that it is acceptable to abuse the provision of trade credit and the good faith of its suppliers. It seems not to value its suppliers or care enough about them to foster or maintain good relations. Those who pay late should realise that supplier relations are key to the continued profitability of their own business. When an agreement on payment has been reached, not only is it right and proper to ensure that the agreement is honoured; it is also an act of enlightened self-interest.

The Government acknowledge that late payment is not always deliberate, with the intention of frustrating the process. It is not always a case of some Goliath stepping on a defenceless David, and there is often no malicious intent. Various reasons may exist for late payment. We listed them in our Green Paper, "Improving the Payment Culture: a Statutory Right to Claim Interest on Late Payment of Commercial Debt." However, we see no good reason why, aside from their own errors, suppliers should have to bear the cost of late payment. We believe that it is right and fair that the cost of late payment should be put back into the hands of those who control it: the customers.

It has been said—this deals with some of the hon. Lady's comments—that the new right will lead to extensions of credit periods. We have thought of that. Where an agreed credit period amounts to de facto contracting out of the provisions of the legislation, it will be a void term in the contract and the courts will be able to strike it down.

It has also been said that businesses will be too worried about losing a customer to exercise their right to claim interest. I do not believe that business sees that it makes any commercial sense to drop a supplier simply because the supplier made a claim for interest.

[Mrs. Roche]

Businesses generally understand the value of good suppliers. All our great household names have got where they are because they value and invest in their supply chain. They also know that it is administratively time consuming and expensive to replace good suppliers.

Mr. Michael Fabricant (Lichfield): As the Minister knows, I was in business before entering the House in 1992. How does she reconcile her comments and the situation of a small supplier, perhaps supplying to a very large corporation—I shall mention GEC, and there are others—which sometimes took up to 120 days to pay small suppliers? That was the case not just with plcs, but with the BBC too, although I believe that it has changed its ways. As a small business man trying to make an inroad into a market, I would not have dared to say, "I am sorry, but I insist that you pay within this particular time," when I knew that other suppliers were not doing that.

Mrs. Roche: The hon. Gentleman raises an important issue, and I am interested to hear of his experience, which illustrates some of the difficulties. I know from my postbag, which contains letters from hon. Members from all parts of the House, what late payment means to their constituents, especially their business constituents.

We are giving businesses the right to claim interest, but it is up to the individual business to make the commercial decision whether to enforce it. As part of a package of measures that I shall describe later and which I am sure will interest the hon. Gentleman, that provides an important lever in the hands of a small business. I believe that, rather than drop their supplier, debtors will go for the simple solution, and try to ensure that they pay their bills on time.

Action to tackle late payment can wait no longer. The Government believe that it is time to provide, in the context of a wider package of measures, a statutory right to claim interest on late-paid commercial debt, aimed at improving the payment culture in the UK now.

We stated in our Green Paper that, to help small businesses in particular, the statutory right to claim interest will be exercisable, initially, by small businesses against all large enterprises, including the public sector. We envisage that the right will be extended, after a period of two years, for use by small businesses against all enterprises, including the public sector. Finally, we envisage that the right will be extended, after a further period of two years, to all enterprises, including the public sector, to use against all enterprises, including the public sector.

Responses to the Green Paper showed business support for phasing at 87 per cent., with support for the proposed timetable only slightly lower at 85 per cent.

The Bill will encourage customers to pay on time, and, in conjunction with the wider package of measures, will help to combat the late payment problem. Part I creates an implied term in contracts, where no explicit remedy for late payment is provided, for a statutory right to claim interest; specifies the contracts and debts to which the term may apply; sets a default credit period and procedures for remission of interest; and provides an order-making power to set the statutory rate of interest.

Part II describes the extent to which parties to a contract can exclude or vary the right to statutory interest in relation to a qualifying debt. It will not be possible for parties to contract out of the Bill unless the contract provides a substantial remedy for late payment. Part III provides general and supplementary measures necessary to give effect to the Bill and ensure that it operates effectively. The final clause includes a commencement power to enable the Bill to be brought into force in stages.

The effect of the Bill will be that the cost of late payment will no longer have to be borne by the supplier. It will instead be borne by the party that can control it: the customer.

I can reassure the House—this answers the hon. Gentleman's point—that we do not see the legislation as a panacea. It is one important element in a package of measures that the Government are adopting, in partnership with the private sector, to improve the payment culture. The Government have regularly referred to the wider package of measures that can be seen in the annexes to their publications related to the Bill. Those include support for the decision by the Federation of Small Businesses to publish league tables of the payment performance of public companies; support for the development of the national vocational qualification in credit management; ensuring that small businesses can access credit management information and advice through the enterprise zone; and the establishment and co-ordination of the better payment practice group, which is a vital part of the Government's commitment to work in partnership with the business community to promote a better payment culture among British businesses.

The better payment practice group promotes best payment practice among all businesses and will help to shape both the private and public sectors' measures to tackle late payment. Members of the group include the Forum of Private Business, the Institute of Directors, the Confederation of British Industry, the British chambers of commerce, the National Farmers Union and the Union of Independent Companies. The group has met regularly and has already produced a substantial body of work.

The Government have recently published a better payment practice guide to credit management jointly with the better payment practice group. The guide benefits from the combined experience and considerable expertise of the group and provides straightforward guidance and advice on how to get paid on time. I thank all the members of the group for their hard work and effort.

The Government recognise that the public sector must lead by example. We will require all Government Departments, agencies and local authorities to pay on time. Government Departments and agencies must pay all their undisputed invoices for commercial debts within 30 days or other agreed contract terms.

Mrs. Gillan: I thank the hon. Lady for giving way once again. It is obvious that many of those measures, especially the last one mentioned, were introduced under a Conservative Government. I notice that, since the present Government came to power, there has been no publication of the league tables for payment performance, other than for the year that covered the previous Conservative Government. When will the next table be published, covering the Labour Government's first year in office?

Mrs. Roche: I shall answer the hon. Lady's first point straight away. I am a little perplexed by her comments.

The group to which I referred was established by this Administration and all its meetings have taken place under this Administration. I am rather sorry that the previous Government did not think of establishing it. I am also sorry that they did not support the federation's work in publishing league tables in the private sector. The hon. Lady also asked about league tables, and I am delighted to tell her that I shall publish them before the summer recess.

Government Departments have adopted the British standard for achieving good payment performance in commercial transactions and the CBI prompt payment code. As I have said, we shall publish tables of the payment performance of central and local government before the summer recess. The Government are fully aware of the link between this Bill and the issue of access to justice. The Department has worked in close consultation with officials of the Lord Chancellor's Department. The Lord Chancellor announced in October that he was pressing ahead with reforms to the civil justice system aimed at reducing cost, delay and complexity.

We consulted widely on our proposals, and I am grateful to all those who responded. Their comments have been invaluable in improving what is, after all, a Bill dealing with a technical area of law. I am happy to say that all of our proposals have received widespread support. I am particularly pleased that our phasing proposals were so well supported. For example, when the Institute of Directors sought to respond to the Green Paper, it received 1,700 responses to a survey of its members, 69 of which favoured a right to interest.

I am pleased to say that, when concerns have been raised, we have tried to be as flexible as possible. I believe that we have demonstrated a willingness to reflect and to make changes where they are merited. That has been the case both during consultation and since the introduction of the Bill in another place.

Mr. Eric Forth (Bromley and Chislehurst): I seek clarification from the Minister. I think that she just said that, out of 1,700 responses to the Institute of Directors survey, just 69 favoured a statutory interest on late payment. Is that figure correct?

Mrs. Roche: I meant 69 per cent.

Mr. Forth: I am grateful. Perhaps the Minister could clarify the survey's results for the record.

Mrs. Roche: Yes, I am happy to do so. The figure is 69 per cent. I also understand that that is one of the largest responses that the Institute of Directors has received to a survey of its members.

The Bill was introduced with two changes to the original proposals that appeared in our Green Paper. The definition of a small business was, for the sake of simplicity and in order to avoid enforcement difficulties, reduced from the two out of three Companies Act 1985 definition to the simple criterion of 50 or fewer employees. The second change was to the rate of interest. The Green Paper originally proposed a rate of base rate plus 4 per cent. Having noted the concerns voiced during consultation and after taking further advice, we recognised that the interest rate should be sufficient to recompense all businesses for the cost of late payment. Therefore, the legislation proposes a rate of base rate plus 8 per cent., which is the rate at which the weakest businesses are charged for term lending.

There are issues that the Government believe are central to the Bill. First and foremost is the fact that this Bill is designed to help small business. For that to happen, we believe that the phased implementation of the legislation is necessary. This is a vital Bill whose time has come, and I am very pleased to commend it to the House.

5.33 pm

Mrs. Cheryl Gillan (Chesham and Amersham): I congratulate the Minister for Small Firms, Trade and Industry on bringing the Bill to the House—not least because, as she said, it has enabled her to keep one of her promises to the electorate. It is a pity that the Secretary of State for Health could not keep his promise to the electorate and that waiting lists have increased by 100,000. Perhaps other Departments could look to the example set by this Minister and improve their records.

It is sad that the Minister is supported today by a lone Back Bencher. None of her colleagues in the Department of Trade and Industry considers the matter to be important enough to sit alongside her and see her flagship move forward. At least I have good support from my colleagues on Conservative Benches. Unlike the Labour party, the Conservative party has traditionally been the friend of business,

Mr. Colin Breed (South-East Cornwall): Traditionally.

Mrs. Gillan: We shall maintain that tradition.

The road to hell is paved with good intentions, and the Bill before the House epitomises that expression. All hon. Members agree that late payment could be agony for both large and small business. Yet today's *Financial Times* reveals part of the vision of hell that accompanies the good intentions in the Bill. The article is headed, "Businesses 'not ready' for tough law on debts". It states that a survey has found that fewer than 2 per cent. of company finance directors fully understand the Late Payment of Commercial Debts (Interest) Bill. The article goes on to say that the Bill could force companies in the United Kingdom to pay more than £180,000 a day. Yet again, a burden is placed on business—another piece of red tape—that has no obvious benefits for some who view the legislation.

Mrs. Roche: I am shocked by the hon. Lady's remarks. Do I take it that she now withdraws the support that she gave in 1994 to a statutory right to interest? I expected congratulations on the legislation, not carping.

Mrs. Gillan: The Minister has already heard my answer. Upon examination, it was found that other mechanisms would help more. No one supports the late payment of debts, but perhaps there is another way, apart from legislation. I hope that the hon. Lady will be open-minded and listen to some other suggestions.

If we look to our European neighbours, we can see that the lesson is not clear. As I said by way of intervention, Spain has problems. Companies in Spain and Portugal—which also has legislation in this area—have some of the worst records in Europe. Overall payment performance in the United Kingdom is better than the European Union

[Mrs. Gillan]

average by some five days. Moreover, the Bill seeks to phase in the legislation, allowing small businesses to pursue other small businesses only in the final stage in several years. However, 70 per cent. of small businesses trade with other businesses of a similar size.

The Minister has tried to give the impression that her measures are universally welcome, but that is not strictly true. Her proposals have had a lukewarm reception in some areas, which perhaps explains why the arrival of the legislation in the Chamber was delayed for more than a year. Before the election, the Minister and her colleagues expended phenomenal efforts on trying to woo the business community. The prawn cocktail offensive became an embarrassingly familiar item in journalists' columns. We have seen the outcome of those cocktail parties, with chosen business men from organisations that could afford to donate £1 million to the Labour party getting what appears to be special treatment.

The spin doctors formulated the message in a desperate attempt to appear business friendly, and the policy was pursued ruthlessly. Labour callously tried to lull business into a false sense of security—and I am afraid that the Bill is part of that charade. Like so much in this Government, it is a thin facade: it is a fig leaf to cover the Government's modesty while they remain as rapacious as ever in their intentions towards business. They attacked business in both Budgets, and I give them notice that the businesses that I talk to are beginning to see through their warm words and their warm champagne and to realise that they are gradually eroding many businesses' competitive edge.

The raid of £5.4 billion on pensions makes Maxwell look like an amateur. The burdens are piling on, from the windfall tax, which has grabbed £5.2 billion and the road fuel tax, which has grabbed £440 million, to the car registration tax, which takes £60 million and the corporation tax changes, which take £630 million. The strength of the pound is destroying our exporters' business, and on top of that come the social chapter, the national minimum wage and union recognition, which will add to the burdens on business.

At Question Time today, we heard that the Department of the Environment, Transport and the Regions is considering taxing car parking spaces for shops, factories and offices. Business should not face such burdens. It also faces two other inescapable burdens: the additional costs of the euro and of the millennium computer problem, which will run into billions of pounds and impose financial burdens on businesses that have to maintain their competitive position in an increasingly competitive world. The debacle over the euro this weekend represents not only a national lottery, but an international lottery of giant proportions. It was a rollover weekend, but the people who were rolled over were European and British citizens.

The measures fall on the negative side of the equation, but the Government hope that the Bill will register on the positive side. In many ways, I hope that it will, but instead of supporting it overwhelmingly, many businesses and organisations representing business do not think that it is necessary. The Federation of Small Businesses said:

"We shall try to convince the small firms Minister that other issues should be looked at first".

The British Chambers of Commerce said:

"It is an ill-conceived, very short term solution and will hurt businessmen's interests".

The Confederation of British Industry said:

"It will not work and according to our members, will make matters worse. It would be very unfortunate if they went ahead with something that most small businesses do not want".

The small and medium enterprises council of the CBI said that the Bill would not substantially increase the likelihood of small firms being paid on time.

We do not need to take those organisations' words for it, when we have those of the Minister. She has admitted that her proposals are not popular. In last summer's edition of *Network*, she said that almost 60 per cent. of lobby groups representing small businesses opposed a statutory right to interest on late payment of debts. What an admission. In other words, she said, "They don't want it, but we're going to do it anyway." The Government consider the Bill to be a headline grabber and will pursue it, irrespective of whether it will change the culture of late payment.

Mrs. Roche: I thank the hon. Lady for her courtesy in giving way, but does she not accept that every survey of small businesses shows overwhelming support for a statutory right to interest? She supported that not merely by signing the early-day motion, but by being one of the first six sponsors.

Mrs. Gillan: The hon. Lady has pursued the matter twice. She is highly embarrassed to be quoted as saying that 60 per cent. of small business organisations are opposed to a statutory right to interest. She intends to impose her will on the business community, regardless of what it thinks.

The Minister should have used her energies to ensure that the Government pay their bills on time, as the previous Government did. More than 50 per cent. of Departments improved their payment records in the last full year under our government, some substantially. In answer to my question on national health service trust payments, the Minister of State, Department of Health said that

"80 per cent. of payments were made on time."—[*Official Report*, 30 October 1997; Vol. 299, c. *864*.]

Trusts make more than 3 million payments a quarter, so in any quarter 600,000 bills are paid late, which adds up to slightly under 2.5 million bills a year paid late. Surely the Minister's priority should be to continue to build on the work of the Conservative Government and improve that performance, but we have not even seen the payment performance of Departments under her Government and, as she has admitted, will not see it until the recess.

Mrs. Roche: On payment performance, will the hon. Lady confirm that when she was a Minister at the Department for Education and Employment, it paid a quarter of its bills late? Will she apologise for that?

Mrs. Gillan: I have no apology to make. The Paymaster General said in a written answer in *Hansard* on 27 November, at column *662*, that the DFEE's record was 92.2 per cent., which is an improvement, because the Department for Education's payment record was 75.2 per cent. I hope that the Minister will

apologise to me, and I shall give way to allow her do so. No, she is not a big enough woman to apologise when she has made a mistake.

I congratulate the Minister on the better payment priorities group and hope that it will be backed by more than her warm words. She has the arduous burden of making the winding-up speech, because no other Minister has come to support her. Will she say how much money will support the group's proposals? How much will go into the development of the national vocational qualification in credit management? How much will go into the credit management information and advice service? How much will go into business links to support credit management?

I believe that the Minister, disingenuously, did not mention the Lord Chancellor's review.

Mrs. Roche *indicated dissent.*

Mrs. Gillan: I stand corrected; I must have been distracted when the Minister mentioned it. However, we do not know when the review will be forthcoming. We know that the Government hit the ground reviewing last year, but few reviews have come to fruition, except when a review has become a consultation.

The sad thing about the Bill is that, despite the massive cull of prawns to sustain the Government's offensive to convert old Labour into new Labour, the Government still do not understand the essential ingredients of a successful business recipe. As soon as they perceive what they regard as a problem, they want to jump in and legislate. In 1994, rather than the previous Government legislating, their consultation on late payment resulted in British standard 7890, the standard for specifying procedures for good payment priorities and credit management, which business supported. Some of our most successful companies are outsourcing, but the hon. Lady does not seem to understand business relationships as they develop.

Outsourcing builds up mutually beneficial customer-supplier relationships. They depend on long-term arrangements and can result in improvements on both sides. Rather than implementing legislation that interferes with contracts freely entered into by both parties, the Government should encourage that sort of business climate. Where such a relationship does not exist, it is naive to imagine that the development of mutual trust can be fostered by encouraging suppliers to take action against their customers.

The Government have not yet caught up with the need for good industrial relationships. Perhaps I should not be surprised, as some hon. Members will remember how old Labour defeated Barbara Castle when, as Secretary of State for Employment and Productivity, she produced her White Paper "In Place of Strife".

Mr. Clive Betts (Sheffield, Attercliffe): That is pre-history.

Mrs. Gillan: The hon. Gentleman says that that is pre-history, but "In Place of Strife" was defeated by Labour. Labour seems to believe that industry should thrive on strife. The Bill has the capacity to multiply that strife. Add to that the imposition of trade unions, the minimum wage and the other burdens that I have mentioned which are coming to haunt business, and we see that nothing has really changed.

If the Bill represents new Labour's concept of industrial progress towards international competitiveness as we move towards 2000, it is the Labour party which should be tested to see whether it has caught the millennium bug. That thinking seems to have flipped back to the year 1900.

This is a soundbite Bill. It sounds good, but it lacks real understanding of business. We shall not oppose it on Second Reading because businesses should pay on time, but we shall seek to probe the detail. We shall consider phasing in and thresholds, the large company's use of the statutory rate against other large companies in the public sector, the default credit period and many other matters. I hope that the Minister will look forward to discussing those matters, and I hope that she will keep an open mind on our suggestions.

It is important to scrutinise the Bill carefully. In Committee, we shall need to discover whether Labour's thinking on business has any substance beyond the soundbite. I think not.

5.51 pm

Mr. Richard Page (South-West Hertfordshire): No one could deny that the Labour party had a splendid election campaign. It was rumoured that it worked on the 60 per cent. principle—if 60 per cent. of the population was in favour of a policy, it adopted it. We could see that that would run into trouble in the fulness of time because the 60 per cent. in one group would not be the 60 per cent. in another.

There is no collusion in this, but I had intended to mention the question of taxation and hospital waiting lists as an example of two policies on a collision course. In my constituency, waiting lists have increased by 28.9 per cent. However, it would be wrong to continue listing the Government's broken promises, so I shall move on to the small business sector.

The Labour party in opposition had a real problem. It was regarded not as the natural friend of the small business man and woman, but as hostile to the small business world. It ran around desperately trying to find a policy that would convince the small business man and woman that it was on their side. It had a difficulty because most of the things were being done. I say that with natural modesty, as is my wont. I have a natural sympathy for the task.

The Labour party came up with two problems for small businesses, both of which I recognise—one was regulation and the other was late payment. The Labour party promised to control regulation and deregulate like no Government had done before. The Minister referred to my right hon. Friend the Member for Henley (Mr. Heseltine), who set up the deregulation unit. In the two years before the election, about 1,000 regulations were merged or abolished.

As a matter of interest, in January I put a parliamentary question to the Minister—no doubt life has moved on since then—and I discovered that between 1 May and the date of the answer, the Department had managed to deregulate three items. I shall pursue the Minister on that matter, just as she pursued me with regard to Departments paying on time.

We all recognise how damaging late payment is for small businesses. It can make or break a business, and in many cases it has broken businesses. We have all had

[Mr. Richard Page]

people coming to our surgeries to complain about how late payment has hurt their businesses. All hon. Members will be on the small business man and woman's side, but we must act sensibly and progressively. It is no good uttering honeyed words but not delivering in practice.

All Governments have considered the matter. The highly respectable accountancy firm, Grant Thornton, studied what was happening in the rest of the EU. In 1995, the United Kingdom was paying within 48 days and, in 1996, within 50 days. We were just slightly ahead of Germany, which took a couple of days more than us. I am told that a report by another organisation gives Germany a shorter period. However, it boils down to the fact that among all the countries with a statutory right to interest, we were right in the middle. The Scandinavian countries paid within about 27 days, and in Italy a company that is paid within 90 days holds a street party to celebrate, and life goes on from there.

Given those figures, is the statutory right to interest all that it is cracked up to be, or is it more a matter of national culture? That is what it comes down to. Reference has been made to all the surveys that have taken place, and hon. Members will not be surprised to know that such surveys also took place when I had a degree of responsibility. The result of the first survey was 50:50. Two years later, in another survey, 60 per cent. of organisations contacted were against the measure and about 40 per cent. were for it, but it was not conclusive either way. To sum up, we can do no better than to look to the clearing banks. Two of the clearing banks were against the measure and two were in favour of it, but one of those that was for it said that it would not work, but it might help to change the culture. That is a fair summary of the situation.

The Government commissioned research. The good Professor Wilson of Bradford university—I am sure that the Minister knows all about his work—was brought in. Unsurprisingly, he came forward with the startling news that companies that ran a good credit control department stood more chance of getting their money—a 38 per cent. greater chance. I do not know how he arrived at that figure and I do not intend to defend or explain it.

Taking all that into account, the Labour party, fighting its campaign, produced the statutory right to interest rather like the philosopher's stone—just rub it on a bit of bad debt or late payment and all will be turned to gold. I am rather worried that this is over-selling the situation, and many small business men and women might be rather disappointed at some of the outcomes. My hon. Friend the Member for Chesham and Amersham (Mrs. Gillan) said that the measure might even make the situation worse and, in certain circumstances, it could. I hope to explain that later.

I was grateful to my hon. Friend for her support in making Departments pay on time, an initiative which was endorsed by the then Prime Minister. Some Departments were not up to speed, and my hon. Friend was in there like a terrier. She harried and wrote all sorts of unflattering and unkind parliamentary answers. Nevertheless, the message went out, and those Departments came up to speed. I was glad to see that the Department of Trade and Industry managed to achieve 98.9 per cent. just before the election. That was a substantial move in the right direction, and an example which Governments and agencies should set.

There is a great misconception about what was done. When the good Professor Wilson did his research, he also concluded that small businesses were more likely to be sinners than sinned against. I put out a call saying that any small firm that felt it was not being paid on time by any large organisation should write to us. I had, if I remember rightly, 27 responses, of which only two were genuine late payment cases. One concerned late payment by a Department, which "rolled over" immediately, and a second concerned a major organisation, which did the same. However, the other 25 were complaints and queries about the quality of goods and service. That worries me. The position may be exploited by those who want to avoid paying the statutory interest.

Another thing that we did, which neither of the Ministers has mentioned, was to do away with the iniquitous pay-when-paid regime. We must thank Sir Michael Latham for his work in bringing that about. Some hon. Members may not know of that old system, which is now fading away. It meant that on a construction site, a subcontractor, such as a plasterer who plastered a suite of offices, would not be paid until the main contractor had been paid—and he would be paid only when the architect signed the contract off. Six months ago, a gentleman came to my constituency surgery who had not been paid for more than two years by a London borough because a pay-when-paid regime operated. The borough told me that he would be paid within two or three months. That is clearly unsatisfactory, and a wicked abuse. Everyone can be grateful that it has been done away with.

We also ensured that large companies included not only their payment policy but their payment practice in their annual accounts. It will—I hope—be up to the many small firms organisations to question those companies if they do not keep to that practice. We all know that small firms do not have the resources or facilities to be able to ride over cash flow problems.

Much has been made of the launch of the British standard payment code. It has been endorsed by the CBI, which has its own code. What has not been mentioned is that, if a company signs a British standard code but does not adhere to it, trading standards officers can be called in. Firms can be held to account if they fail to adhere to the code that they have signed.

A great deal has been done to try to help small businesses. What worries me about the statutory right to interest is that it could make the position worse. I have three invoices with me. The first, from Universal, a company which supplies many hon. Members with stationery, has simple payment rules written on it:

> "Except as otherwise agreed with the customer, payment of invoices consolidating separate deliveries shall be due not later than 15 days after the date of the invoice, payment of all other invoices shall be due not later than 30 days after the date of the invoice."

The second, for the carriage of horses, says:

> "Payment is due within 30 days."

My third invoice, a vet's bill—I have tried to represent the market as broadly as I can—states:

> "Payment due within 30 days of invoice".

I believe that the Minister's heart is in the right place, but there is a misunderstanding of business practice. Nowadays, most companies run a monthly computer account. At the end of the month, there is a shut-off. If someone supplies goods that come in during the first two days of the month, the goods will be passed upward, the accounts clerk will sign them off, a statement will come in after the supplier's monthly shut-off, and it will be checked against the receiving company's remittance advice before the payment goes off perhaps two weeks into the following month. Immediately, six or seven weeks will elapse before the supplier gets the cheque.

As smart and intelligent people, hon. Members will appreciate that as the month progresses to the 20th, 21st or 22nd, the payment period will drop to about 21 days. However, an item that comes in on the 27th of the month, or the 6th of the following month—perhaps a weekend will intervene—will miss the cut-off. Payment for that item will not be made until perhaps seven or eight weeks later.

If the supplier company says that it wants the statutory right to interest because 30 days are up, the other company will say, "Stop. We want to negotiate, and to negotiate on the longest possible period that we could be caught for." That is quite legitimate; no one is trying to fiddle, or to short-change anyone. Everyone is operating a perfectly legitimate business practice because computers run with a monthly cut-off. The company will say, "Forget 30 days, we had better make it 56, because we do not want to be hit with interest charges."

Mr. Breed: Does the hon. Gentleman accept that, although the Bill offers business men an opportunity to claim interest, they do not have to do so, and are not statutorily required to do so? The instrument is available to business men to encourage payment.

Mr. Page: I appreciate that perfectly, but the teeth to require payment will not be there. Companies will argue, as I have argued, that it may take 56 days to pay. We have the Grant Thornton figures for Europe. We have the statistics of Intrum Justitia, the debt collection organisation, which show a figure of 49 days. I fear that the difficulty for small business will be that the payment period of 56 days—or thereabouts—will become the norm, not the exception. I fear that the 21-day period that currently exists in the middle of the month will start to go out of the window, and that firms will think in terms of two months rather than one.

I feel that the Bill will not be effective in operation. That is one reason why we did not introduce it ourselves. Anything that is done to try to help small businesses should involve looking more closely at the way in which the courts and the small claims system operate to help—or not to help—the small business man and woman. In particular, we should consider bailiffs and sheriffs. Their operation strikes me as highly arbitrary, and I have grave doubts about its effectiveness. Most people who end up in court are "can't pays" rather than "won't pays".

Our hearts are with the Minister, but the brains of those of us who have business experience urge a degree of caution. When the Bill goes into Committee in the fulness of time, I hope that we can produce some ideas that will make it more practical, so that it can really help small businesses.

6.8 pm

Mr. Tony Colman (Putney): Let me first declare an interest as a director of GLE Development Capital Ltd. I chair that company on a pro bono basis, and it has a factoring and invoice-discounting subsidiary. The Bill is part of a package to help small businesses. I praise the work by factoring, invoicing and discounting businesses to help small businesses to deal with their cash-flow problems.

I was previously the director of the Burton Group. I particularly remember working in the late 1960s, in the early days of Top Shop, the fashion chain, with many small clothing manufacturers, many of whom are international names. It was extremely important, in terms of supporting their development, that they were able to receive seven-day payments. The charge was 5 per cent., but it was extremely important that the clothing manufacturers, the designers, were able to buy the cloth perhaps on a 30-day term, to make up the garments and to receive payment from Top Shop before they had to pay their cloth manufacturers. If we are to support creative industries, it is important that large manufacturers are particularly aware of the need to help start-ups, as occurred at that time.

It is particularly interesting to follow the hon. Member for South-West Hertfordshire (Mr. Page). He may not know it, but I stood for that seat in 1979 before the by-election that brought him to the House. He gave the example of Italy, where there is a very large clothing manufacturing sector, which we know through household names such as Benetton. I assure him that that firm does not operate on 90-day terms. In fact, it largely pays for the cloth, trimmings and materials on time to ensure that its suppliers are able to stay in business and make a good profit out of Benetton. If we are considering the position in Italy, it is extremely important to remember that the successes of its small and medium enterprise sector are very much related to the fact that, in its payment system, the larger companies support the smaller companies.

Mr. Tim Boswell (Daventry): Nevertheless, does the hon. Gentleman agree that the Intrum Justitia figures show that the actual average payment period in Italy was 87 days, compared with the European Community average of 54 days and the UK average of 49 days? That may suggest that, if some are doing as well as Benetton, there must be others that are not complying with the principle.

Mr. Colman: Obviously, I would not wish to question those figures, but I am trying to point out merely that, in examining why Italy has such a strong small and medium enterprise sector, we find that late payment is not a negative factor there, and that large companies work strongly with small companies to ensure that the small companies are looked after. If the hon. Gentleman visits the area, he will discover that.

I am obviously pleased that there is cross-party support for the Bill. I was a little concerned to hear the hon. Member for Chesham and Amersham (Mrs. Gillan) perhaps being overly critical, but I note that she supports it and so she should: she has a record of supporting such a measure. I was hoping that she would still be on the Front Bench so that we could perhaps again take up the point that, in opposition, she is one of the hon. Members who support the early-day motion that calls for a statutory right of interest.

[Mr. Colman]

The residents of Putney who work with and have small firms are extremely concerned that this problem should be dealt with. Business Links in south-west London views this as the major problem in terms of expanding the small-firms sector there.

Mr. Page: The hon. Gentleman touches on an important point, but does he accept that one of the tasks of Business Links is to ensure that those small companies operate a correct credit procedure, that they vet the people for suitability before they give them credit and that they do not get so carried away that someone has had the wit and brain to place an order with them that they automatically give them the goods straight away?

Mr. Colman: Business Links in south-west London certainly does that, and I would hope that it is done throughout the UK. The problem is that larger companies do cheat on those small companies—that is what it is: cheating. After payment terms are agreed, payment is not made within the time that has been agreed. It is extremely important to recognise that we are talking about vulnerable companies.

The hon. Member for Chesham and Amersham talked about contracts that have been freely entered into by both parties. When a large company has a contract with a small company, it cannot be a freely entered into contract. I agree that the small company could choose not to go forward, but, if it refuses, obviously it will not get the business. Contracts are being imposed on it by the larger company.

The hon. Member for Chesham and Amersham pooh-poohed the figures that have been produced in support of the Bill. As a member of the Institute of Directors, I was particularly pleased that my hon. Friend the Minister pointed out that the statutory right to interest was favoured by 69 per cent. of the respondents to the IOD survey. What she did not say was that 78 per cent. of the respondents said that late payment created problems for their businesses, and that 93 per cent. said that it created problems for British business generally, so the Bill has the institute's support.

Earlier today, I was in discussion with the CBI. Its briefing states:

"the Bill represents a sensible way to proceed."

It is concerned about three items, but, in general, it supports the Bill. One involves the definition of the default credit period. I believe that that is already containable within the Bill. I understand that the matter has been raised in discussions between the Minister and CBI and that it can be dealt with in terms of custom and practice, but she may wish to respond to that in her winding-up speech.

The other two concerns are somewhat surprising. One is that the planned threshold to define small and large firms is too low. The CBI believes that, in the first phase, the threshold should be not 50 employees, but 100 employees in a firm. It is important for the Bill to bed down with the smaller size of company initially—I am getting nods from Opposition Members—rather than including much larger companies in the first phase. Again, the Minister may wish to respond to that.

The last point that was raised by the CBI—I see this as a rather minor proposal; it is important, but it does not in any sense undermine the thrust of the Bill—is that large companies should be able to sue public bodies in the first phase. When I read that, I asked, "Why should they not be able to sue large private bodies as well?" The CBI said, "Oh yes, those too." In my experience—I have moved from the private sector into the public sector—the public sector is a darn sight better at paying on time than the private sector. It is important to recognise that.

In preparation for this speech, I spoke to the director of finance for the London borough of Wandsworth, who said, interestingly, that, as the Bill was coming forward, he would report every quarter to the relevant council committee on how the council was getting on in terms of achieving the 100 per cent. target; in his knowledge, it was close to it. I mention that primarily to demonstrate that the Bill is necessary in terms of changing the climate. People should receive those reports. If companies have to state their policy in their annual reports, they could also show how they are doing and whether they are delivering that policy. Public bodies locally and nationally should do the same.

Companies can have recourse to the local government ombudsman if late payment occurs and local government is involved. There is concern about the fall-back position of a small company that does not want to go through the courts when the private sector is involved. It is important for the House to realise that small firms are at the mercy of large firms. I hope that, if the Bill, is enacted we will, in two years' time, consider whether there should be a commercial debt ombudsman, so that recourse to a neutral body would be available. I am concerned that some small businesses would not want to take court action. They would take action if public bodies paid late, because they would not feel that they would be victimised, but I am concerned about what would happen if the private sector were involved.

The hon. Member for Chesham and Amersham referred to the report in the *Financial Times* today. I am not surprised that 2 per cent. of the finance directors are not ready to pay within 30 days. They could simply adjust the computer programme to ensure that payments are made.

Mrs. Gillan: The *Financial Times* article said that fewer than 2 per cent. of finance directors in large businesses fully understand the Bill. If that is so, there must be a process of education, and it will be interesting to see how the Government embark on that process and how much money they are willing to provide to back up the Bill.

Mr. Colman: The public sector leads the way, and I had no problem talking to the director of finance of my local council about the Bill: he knew all about its contents and how to implement them. I am sure that the CBI, which is an excellent organisation—although the hon. Lady may not rate it very highly—is continuing this discussion and ensuring that its members fully understand the provisions of the Bill.

Mr. Page: The hon. Gentleman rather casually referred to 30 days. I have done my best to show that, with

computer accounting and monthly cut-offs, the 30 days may have to be increased if the statutory right to interest is to be rigorously applied.

Mr. Colman: I covered that point earlier in my speech, and it was dealt with in the debate in the other place.

Mrs. Gillan: I think that I heard the hon. Gentleman correctly when he said that I did not rate the CBI very highly. I should like to pay tribute to the CBI, which sent me a message containing further remarks on the Bill while I was in the Chamber making my speech. I have a very high regard for the CBI, with which I have a good working relationship. I hope that the hon. Gentleman understands that.

Mr. Colman: I am pleased that the hon. Lady has such a good relationship with the CBI. This morning, when I asked staff at the CBI for a briefing, it had not been prepared. I spoke to them at some length and it was faxed to me. I am pleased that they managed to get it to the hon. Lady this afternoon, and that I was able to help her in that regard.

Mrs. Gillan: I am not sure where the hon. Gentleman is going with his argument. I have been in conversation with the CBI in the past few weeks on this matter. If the hon. Gentleman is trying to imply that I received a last-minute briefing, perhaps he would like to step outside the Chamber and compare the briefing he received with the up-to-date one that I have received within the hour.

Mr. Colman: I have obviously prompted a strong response from the hon. Lady. Like many Conservative Members, she is concerned about the fact that they lost the business vote last year and they have not got it back yet. I see confirmation of that from the Opposition Front Bench.

This is a moral problem: companies that pay late are cheating their suppliers. I do not believe that the Bill is a panacea for all the ills relating to late payment. It is part of a package, and I commend it to the House because it is a major step forward in dealing with this iniquitous problem for small businesses in this country.

6.25 pm

Mr. Brian Cotter (Weston-super-Mare): I broadly congratulate the Government on this long-overdue legislation. The Liberal Democrats have, for a long time, believed in a statutory right to interest, and we welcome the Bill on behalf of businesses. I run a small business, so I am glad to be part of the statistics in saying that, as a small business person, I approve of the legislation.

The Conservative Government understood to some extent the problems that late payment of debt caused business, but they produced nothing substantial, which is why I welcome the Bill. The business community was offered the option of voluntary measures to aid good business practice. Hon. Members should note that those voluntary measures dismally failed, and that the commercial debt problem has worsened. Why? Because late payment is often intentional, so late payers must be penalised. A stick as well as a carrot is needed to get companies to pay on time: we need both.

Small businesses form the backbone of the United Kingdom and European economies. Small and medium-sized enterprises are not a minority interest, but hold the key to a dynamic, successful and competitive economy in the United Kingdom, in Europe and globally. It is the Government's duty to help SMEs to achieve and succeed in that aim. Improving payment practice will benefit the whole economy.

In the United Kingdom, it has been estimated that about 50 per cent. of all SME bank borrowing by value is used to fund commercial credit. Late payment is a huge impediment to competitiveness, and threatens the very survival of many firms, particularly small businesses.

The Liberal Democrats have long realised that late payment is a millstone around the necks of many businesses. It has a crippling effect on SMEs, which are dependent on tight budgeting in order to realise investment projects and consolidate their markets. Denying SMEs ready access to capital has brought many companies to the brink of collapse, if not to actual collapse. It has prevented a large number of promising small firms from realising their economic potential. Our aim should be to create a business environment in which potential can thrive and prosper. The Bill will help in that respect.

This legislation, in itself, will not solve the late payment problem. Other complementary measures need to be taken through trade organisations and appropriate bodies to ensure that small firms in particular promptly render invoices in a correct form and get paid promptly. If they do not promptly render their invoices, they often lose time.

In 1978, the Law Commission recommended statutory rights to interest, and, ever since, the campaign for such rights has received overwhelming support from all sectors of business and from business organisations. As a small business man, I have also supported it.

As the hon. Member for Putney (Mr. Colman) said, 78 per cent. of respondents to a recent Institute of Directors' survey said that late payment created a problem. Moreover, 93 per cent. of respondents said that late payment created a problem for British business generally. Those percentages are obviously very high.

Only this morning, I was at a meeting of the Institute of Management, where I was told that 75 per cent. of the institute's managers support the Bill.

Another survey published last summer showed that late payment is threatening the survival of one in four firms employing up to 50 staff and costs millions in reduced profitability for almost 75 per cent. of those businesses.

The Forum of Private Business—which has been recognised as an ardent campaigner for a statutory right to interest—has already been mentioned in the debate. The forum frequently conducts in-depth research, which has shown that late payment of bills imposes significant costs on both individual businesses and the overall economy. The forum estimates that the average cost of late payment to a business with a £500,000 annual turnover could be as much as £10,000.

Mr. Page: Can the hon. Gentleman tell us whether the forum has calculated how much such a company has saved by not paying its bills on time?

Mr. Cotter: As I said, we all agree that all companies have to pay on time. Moreover, small

[Mr. Cotter]

businesses' problems in meeting their bills often arise because they are not paid on time by large businesses. We must be realistic about small businesses' difficulties. The Bill is very important for small businesses, which are sometimes restrained in paying by large businesses.

Evidence from Europe suggests that effective legislation could reduce the average cost of late payment to £1,000, thereby saving such businesses £9,000. The Bill's opponents should at least bear in mind those facts and figures, and realise that their opposition rides against much information contradicting their opposition.

Late payment has a domino effect on business, and, undoubtedly, the worst offenders are large companies. A Dun and Bradstreet survey revealed that, as recently as October 1997, fewer than 10 per cent. of large businesses pay their bills on time.

Mr. Page: I am sorry to keep interrupting the hon. Gentleman's speech, but—as this debate has been coloured by people making grand statements—what does "being paid on time" mean? Is it within 30 days, or perhaps within a computer programme's monthly cut-off date? What does it mean? Are companies really as bad as is suggested by that percentage?

Mr. Cotter: The Dun and Bradstreet survey stated that only about 6.6 per cent. of companies paid within the agreed terms—which is what we are debating.

Potential complications have been mentioned, and I agree that there will be difficulties after the Bill is passed. However, over time, some practices in businesses and industry—we all know, for example, about those two or three days at the end of the month—will have to be dealt with. I believe that the problems can be solved.

Late payment is a vicious circle. Most small firms believe that their large business debtors often pay late to gain. We have heard in the debate of examples of such practice. One company that was mentioned earlier certainly used the practice, which is very bad news, to expand its bank balance.

For all those reasons, the Liberal Democrats support the legislation. Nevertheless, our support for the Bill does not mean that we are uncritical of it. I urge the Government to reconsider some aspects of it, so that it will operate more effectively and there will be no casualties along the way.

The first aspect that Ministers should reconsider is the phasing-in periods. The Bill will allow government at all levels to escape from its provisions until the later phases. Although we have already debated the matter today, I should like to propose that, in the first phase, businesses of all sizes should have the right to charge interest on outstanding bills owed by government. Moreover, the Government should be prepared to set an example in the matter.

The Minister will recall that, on 5 March 1998, I asked her:

"Does she agree that, often, both local and national government are very bad at paying? I hope that she shares my view that the Government should give a lead in that direction."

She replied:

"I absolutely agree . . . That is why I intend to provide in the summer a league table of Government Departments, and I have taken the opportunity this week to remind local authorities of their obligations as well."—[*Official Report*, 5 March 1998; Vol. 307, c. 1178.]

I ask the Minister only to dwell on that point—which she accepted when I asked my question—and to consider whether there is really any reason why government should not be covered by the legislation's provisions in the first phase. Only today, a colleague told me that he is very concerned that, because of financial strictures, local government is using late payment of debt to increase the amount of money that it has to hand. I ask the Minister urgently to consider that practice.

The question remains: why is government being exempted from the provisions in the early stages? I welcome the fact that the Minister has promised a league table, and reiterated that promise today. I hope that the table will be considered as an annual commitment, by which the Government may demonstrate how they are improving the payments record.

It is extremely important that quoted businesses also should have to declare their payment record in their annual accounts. I am sure that the Bill's passage will ensure that such declarations are made.

Earlier in the debate, the crowing of the right hon. Member for Henley (Mr. Heseltine) of his ability to delay payment was both mentioned and robustly defended. I do not think that the point was made clearly that he was talking about his own practice and not about the general practice of business. I was a member of the public when the comment was made, and thought that, coming from a Minister, it read very badly indeed. It was not a good example.

The hon. Member for Chesham and Amersham (Mrs. Gillan) has been very keen to promote statistics and to ask for apologies. I remind her of the fact—which she has not dealt with terribly well—that she signed early-day motion 912 1993/94, which stated that

"the only effective solution to the problem of late payment of business debts is the implementation of a statutory right to interest".

As we are debating statistics, I should say that that motion was signed by 328 hon. Members—representing a very large part of the House's then membership, and showing the strength of support for the motion, even among Conservative Members. The hon. Lady's support for the motion should be mentioned again, as she did not feel that she needed to apologise.

Mrs. Gillan: As that matter was mentioned three times earlier in the debate, I think that—by mentioning it yet again—the hon. Gentleman can be accused of boring repetition. Time moves on. When I signed that early-day motion, that was how I thought. However, I examined the problem in more depth, and I examined the Government's action on the matter. I no longer hold that view, although I will approve of any provisions in the Bill that will improve the culture of late payment. Nevertheless, I believe that the Bill is a piece of legislation too far, and that the hon. Gentleman is boring the House to death.

Mr. Cotter: People often say that when they are not very happy. Although time has moved on, improvement in paying debt has not moved on. We are debating a Bill

containing provisions that the hon. Lady strongly supported. Moreover, we are debating the Bill's other provisions, which will deal with the problem even more strongly than the early-day motion suggested.

The Government think that a four-year phasing-in period is necessary to enable small firms to adjust effectively to the legislation. However, that argument has no bearing on the ability of large firms immediately to charge other large firms. The hon. Member for Putney mentioned large firms' ability immediately to incorporate the legislation. We could at least consider, in the first phasing-in period, allowing large firms to charge against large firms.

The Bill contains a definition of a small business—which was identified in the other place as a matter of some concern. A small firm is defined as one that employs no more than 50 persons, which implies that a large business is one that employs more than 50 persons. That seems ludicrous when one considers that there may be only one or two people on the payroll and that payrolls can vary. We must be concerned about that issue and consider whether we should have a different definition of a small business. There are many definitions; the European Community uses a different definition from the one used in this country.

I turn now to the problems, to which other hon. Members have referred, that debtors face when they are taken to court. The small claims courts need to be responsive to the Bill if it is to be effective. At present, the system is very ineffective for several reasons. A survey in a recent CBI brief pointed out that

"larger firms were more likely to have used the courts than smaller firms."

The courts system should be accessible, regardless of business size. The courts need more teeth, and judges could do more to encourage defendants to pay up.

Even if a claimant is prepared to go to all the initial effort and expense of taking a debtor to court, the effort and expense do not end there. The majority of those who win their claim experience extreme difficulty in receiving their payment because the responsibility lies with them, not the court. The claimant has to pay a further fee to make the court try to enforce the judgment. That makes a mockery of the whole system, especially as the powers of the bailiff are very limited, and companies end up throwing good money after bad.

As hon. Members will know, the Lord Chancellor is reviewing proposals, which were referred to earlier, for the reform of the civil justice system, with a view to reducing delay and costs. That is welcome because court access and the enforcement of judgments are vital to the Bill. I urge the Government to ensure that future legislation on the matter will tie in neatly with the Bill, so that it is worth pursuing a debtor through the courts system. The system must be simple, quick, accessible and effective.

I have been assured that there should be no problems regarding the Bill's compatibility with European legislation. However, we need a cast-iron guarantee from the Government that the Bill will be compatible with the European directive that is being formulated on this issue.

Of course, as other hon. Members have said, the Bill will not solve the problem of late payment. It is a cultural problem which requires more than legislation to solve it. There should be published lists of known, regular late payers. The Government seem keen to implement that proposal, which is welcome. If a business appeared on such a register, its credit rating could be affected, which might induce prompt payment. The hon. Member for Putney referred to the possibility of having an ombudsman to support such a requirement. That is a proposal, which I had not thought of, that we might consider.

Small firms need greatly to improve debt collection and the general running of their financial affairs. Many companies have no systems in place and operate ad hoc. They do not make proper credit checks; delays and errors in invoicing are common; and they do not promptly pursue debtors. Late payment is viewed as a burden, but often as inevitable, so businesses should be educated to realise that that need not be the case. Businesses need to be made aware that it is no good their taking on work if they are unlikely to be paid for it within a sensible time.

Improved credit management procedures are needed so that the late payment culture dies. Credit checks on potential new customers, credit limits, clearly defined payment terms, account monitoring and prompt action on debtors are some of the many ways in which businesses can improve their financial operation.

The 1996 Grant Thornton document on good payment practice states:

"A sale is not a sale until it has been paid for."

Businesses should bear that motto in mind, and business links should make credit management an absolute priority when advising small firms.

The Government have broad support from Liberal Democrat Members. I have outlined a few concerns, which I hope the Minister will address, and I look forward to her reply.

6.44 pm

Mr. Eric Forth (Bromley and Chislehurst): My only claim to any background or expertise in this matter is that I was a buyer and a credit controller. That was some time ago, but the principles remain substantially the same as when I grappled with them in the private sector before I became a politician.

What bothers me about the Bill is that, like so many Bills being considered by the House, there is more than a smack of a quick fix and easy solution about it. I completely absolve the Minister from that accusation, because she said that the Bill was no panacea. I am more concerned for those business men who, as has been claimed repeatedly throughout the debate, are asked in surveys, "Wouldn't you like interest to be payable on late payments?" and reply, "Yes, please. That sounds like a very good idea." They would say that, wouldn't they? Most business men do not stop carefully to ponder the contents or implications of surveys. They read them and reply, "Yes, I like the sound of that." That is perfectly understandable.

It is surely our job to study the proposals and consider whether they are likely to benefit the business community. In that regard, I am always puzzled by the suggestion—particularly if it is alleged to have emanated from the business community—that the law will be helpful. The Conservative party and the Labour party have recently fallen over each other, claiming to be the party of

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deregulation, yet, time and again, against that claimed background, measures such as the Bill are put before the House. They are clearly regulatory and are always justified as a special case or part of the general scheme. The words must follow the action or the action the words. We cannot get away for much longer with claiming repeatedly to be the party of deregulation while putting our names to measures such as this.

The key to the matter is the relationship that exists in a trading context between large and small businesses. The suggestion that all or most small businesses are virtuous in that regard and pay their bills on time, and that it is only the large businesses that do not, does not reflect my business experience. Perhaps events have moved on since then and most or all small and medium firms are paragons of virtue in that regard. I wonder how many of them have considered that they, like larger companies, could get caught by the Bill. That is a matter for their judgment.

Mr. Breed: Does the right hon. Gentleman accept that many small businesses are unable to pay their bills because they have been unable to collect money owed to them? That is a cash flow problem: the fact that many businesses will not pay results in many that cannot pay.

Mr. Forth: I fully accept the hon. Gentleman's point.

Reference has repeatedly been made, not least by my hon. Friend the Member for South-West Hertfordshire (Mr. Page), to a change in culture. The assumption in the debate and underlying the legislation has been that the Bill will bring about a change in culture that we all desire and would approve of—businesses paying more promptly.

My fear is that the Bill will have precisely the opposite effect. There is at least a possibility, perhaps even a probability, that, as a result of the Bill, large firms will seek to change the terms of trade that hitherto have been normal in British business—net 30 days. They will argue that, if they are forced to pay interest on late payments, they will unilaterally change the terms of trade to net 60 days or net 90 days.

Mrs. Roche: When the right hon. Gentleman reads the Bill carefully, he will realise that we have thought of that important point, which is why we have said that terms in a contract that amount to a de facto contracting out of the provisions of the Bill will be void.

Mr. Forth: If that is so, I am even more worried about the Bill than I was. If the Minister is saying that she is seeking, by legislation, directly to intervene in freely negotiated terms between businesses in the private sector, the Bill goes much further than I had imagined. That is more than a step too far; it is a gross intervention in what has hitherto been regarded as very much the preserve of private business in the private sector to negotiate terms freely with one another.

Mrs. Roche: I am sure that the right hon. Gentleman is aware—I know that he has had an interest in these matters—that Acts of Parliament such as the Unfair Contract Terms Act 1977 have a role to play in contracts. The Bill is certainly not new against that legal background.

Mr. Forth: That is a different point altogether. When the Minister replies, I hope that she will reassure not just the House but the entire private sector that it is not the Government's intention to intervene in terms of trade freely negotiated between commercial businesses and commercial partners. If that is the Government's intention, the Bill is much more iniquitous than even I had imagined.

Mr. Boswell: Does my right hon. Friend agree that, if the Minister is right in saying that a typical net 30 days contract between a large purchaser and a small supplier would be struck down if the terms were changed to, say, 45 days, the likely recourse of the larger firm as the purchaser would be to find a fresh supplier on 45-day terms, cutting out the original supplier's business altogether?

Mr. Forth: Indeed; I am grateful to my hon. Friend. That is the result of the process that I was describing. Depending on the extent to which either the legislation or the Government seek directly to intervene in commercial relationships between companies, the change of culture which has been referred to could be adverse—not favourable or helpful. I hope that we would all wish to ponder on that at some length before approving the Bill.

Another element in the process is an old friend which is referred to in the explanatory memorandum as the supplier performing the obligation—by which I assume is meant meeting the requirements of the contract. Anyone who has been in business, even for a short time, will know that one of the most difficult matters in this regard is agreeing that the quantity delivered is that ordered and that the quality or specification is that required. Everybody will also know that, the more one seeks to intervene in the terms of trade or the mode of operation of companies, the more one drives companies down the route of using queries on delivery about quantity, quality or specification as a means of delaying payment, either legitimately or not. My hon. Friend the Member for Lichfield (Mr. Fabricant) referred to that point in an intervention, and I am sure that he will want to elaborate on it. It is an important point.

I am simply trying to illustrate that legislation of this kind—no matter how well intentioned or well supported in endless surveys of people who are asked whether they would like life to be better and easier and whether legislation could help that—can achieve the opposite effect of that intended. The Bill is a prime case in point. If my hon. Friends had sought to divide the House—perhaps they still will, if the Minister does not reply adequately—I should have been very happy to oppose the Bill for the reasons that I have given. We shall want at the very least to look in great detail in Committee at the possible effects that I have described—there may be many more—before we give the Bill our support.

6.53 pm

Mr. Richard Ottaway (Croydon, South): First, may I apologise to the Minister for missing the first few minutes of her speech? I confess that I thought that the Magistrates' Courts (Procedure) Bill would take up more than 13 minutes of the time of the House. I was caught short, as they say.

I rise briefly as the hon. Member who, in 1986, introduced the Right to Interest Bill, the private Member's Bill which the House approved. Hon. Members may be interested to know that among those who sponsored the Bill were such moderate politicians as my hon. Friends the Members for Teignbridge (Mr. Nicholls) and for Sevenoaks (Mr. Fallon) and Mr. Michael Forsyth, whose presence in the House we very much miss.

The history of the Bill is quite interesting. The proposal was first considered by the Government under my right hon. Friend the Member for Old Bexley and Sidcup (Sir E. Heath), who asked the Law Commission to look at the matter. It decided that a statutory right to interest was right and appropriate. During the 1980s, the Government were very interested in the matter and undertook to introduce a Bill if the Confederation of British Industry and the Institute of Directors supported it. There was a time when the CBI supported the proposal, but the IOD did not. Then the IOD supported it, but the CBI did not. Both never supported it at the same time, which is why the matter never came to a head in the mid-1980s.

After the energetic campaign by the Forum of Private Business, a Bill was mooted in the 1994 Budget. The then President of the Board of Trade, my right hon. Friend the Member for Henley (Mr. Heseltine), was invited, when I was his parliamentary private secretary, to look at the issue by the then Chancellor. We were faced with two piles of submissions: one for a Bill and the other against it. There was, of course, no way in which we could proceed on such division, so there the matter lay.

There is no argument that there is a problem of late payment of debt: the theme unites all speeches in the debate. The problem lies with the chain. For a large construction project, there will be a main contract, a subcontract and a sub-subcontract. Smaller contractors at the base of the pyramid are without contracts and, therefore, do not have any protection from late payment of debt. The only way in which such subcontractors can obtain interest is to issue a writ with the invoice. That, of course, is no way in which to conduct business. Indeed, if subcontractors tried that, they would not get any more business.

Some would say that parties are free to negotiate terms and that they live by the sword and die by the sword, but it is not that easy if one is the small man at the end of the chain who wants business. If such people are asked whether they want the work or not, and are told, "Get out there with your camera and take photographs of that building," it is not easy for them to say that they want a contract, which includes a right of interest, before they leave their office. It just does not work that way. When someone writes on an invoice "Payment within 30 days", it is not binding. It is not a term of the contract; the parties did not mutually agree it.

Many figures and surveys have been referred to in the debate. That is where I share the views of my hon. Friends on the Front Bench. In truth, I have no idea whatever whether the Bill will work and whether it will achieve the results that we hope it might. What makes the Bill worth while is that it will probably result in a change of climate of opinion on the late payment of debt. I do not envisage a flood of litigants going to court when the Bill becomes law. The Bill will make a difference in the way in which people talk to each other and negotiate. It is for that reason that my hon. Friends on the Front Bench are right not to oppose the Bill, which I wish well.

6.58 pm

Mr. Michael Fabricant (Lichfield): The hon. Member for Putney (Mr. Colman) said that the Bill would protect small firms that are at the mercy of large firms. I broadly welcome the Bill, but if its objective is to protect small firms from the strictures of larger firms, it will not achieve it—other than, as my hon. Friend the Member for Croydon, South (Mr. Ottaway) said, by changing the climate of opinion.

Before I entered the House of Commons, I ran a company in what might be called nowadays a sunrise industry. It manufactured electronic equipment for broadcasting companies. Originally, our plan was to build small independent radio stations in the United Kingdom, but, after 10 years, we had expanded and set up radio stations in some 48 countries. Therefore, I have experience of how, in a niche market, a small company trades in its early years and of how it can grow into a reasonably sized company. One thing above all told me that the company would survive in its early days—not its profitability, but its short-term cash flow.

I broadly welcome the Bill, but I believe that it is flawed. I come from the libertarian wing of the Conservative party and usually share the views of my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth), but I disagree with him in this instance, as I do not think that the Bill goes far enough. Interestingly, the Bill is flawed from whichever way one considers it, regardless of whether, like my right hon. Friend, one believes that it goes too far, or whether, like me, one believes that it does not go far enough. There is agreement that it will not achieve what was intended.

I believe the problem is one of culture—how companies behave to one another in the United Kingdom. Far be it from me to introduce the subject of the European Union, but it is interesting to note that there are differences in culture in Europe on how bills are met. The Nordic countries, including Norway, Finland, Sweden, Denmark, Germany, Austria, the Netherlands and the United Kingdom—or what the French would call the Anglo-Saxon countries—pay their bills more or less on time. Further down the list are Ireland, France, Belgium, Spain, Italy and Portugal, with Greece at the bottom—those countries are the worst at paying their bills. There is a cultural gap between the Nordic, Anglo-Saxon countries and the Club Med countries.

Mr. Boswell: Has my hon. Friend noticed the correlation between the propensity of a country to pay bills on time and the level of public debt incurred by its Government in the context of the Maastricht criteria?

Mr. Fabricant: My hon. Friend entices me to go where I had not intended to go—so as not to be out of order, I shall be brief in response.

The Prime Minister said this afternoon that there had been no fudge over the euro, but Helmut Kohl has stated that Belgium and Italy have the worst public debt and should not enter the single currency. It is interesting to note that Belgium and Italy come near the bottom of the list of payment records internally and overseas. Payment

[Mr. Fabricant]

is a cultural and educational issue—if the Bill has any effect, it will be to educate people on the importance of paying bills on time.

Small companies in sunrise businesses need protection. I recall that, when my company was very small, we supplied equipment to firms such as GEC and the BBC. The irony is that Radio Uganda was the most prompt in paying bills, which gives a new slant to the phrase Ugandan relations—my Ugandan relations were very good, as Radio Uganda paid its bills within eight days, whereas the BBC paid its bills over 120 days. If it had not been for the contracts that my company had in east and southern Africa, we should not have been in business for long.

It would be no bad thing if the Bill encouraged larger corporations such as GEC to pay up on time. The problem is, as I said, that it does not go far enough. Its main strength lies in clause 8, despite which, as the House of Commons Library report said:

"It will still remain for any business to decide whether it wishes to exercise the right to statutory interest or not, but this decision will be voluntary not coerced."

The implication is that, once again, large firms will say to small firms, "If you want the contract, you will not exercise your right under the Bill to impose interest charges if payments are not made on time."

When the Bill is enacted—which, sadly, given the Government's parliamentary majority, it surely will be—nothing will change except, perhaps, the climate of opinion. I give the Minister the benefit of the doubt, as a change in the climate of opinion would be no bad thing in the longer term, and I give the Bill full marks for trying and for good intentions. However, I suspect that, in terms of achievement, it will be more soundbite than sound money.

7.5 pm

Mr. Tim Boswell (Daventry): There are occasions in the House when it is not entirely necessary to be curmudgeonly, and I do not intend to be so now, either by speaking at great length in a debate that has rehearsed the principles thoroughly, or by advising my hon. Friends—unless they are so disposed—to oppose Second Reading. That, of course, will be to some extent contingent on the Minister's reply, but we are doing our best for her.

Our position of what may be called sceptical acquiescence in the Bill arises from the fact that we are very anxious not to send a signal to the business community that could be interpreted, even inaccurately, as saying that we are in favour of a late-payment culture. We are not in favour of such a culture; we deprecate it as much as the Minister does. My late father, a business man from whom I learned many things on how to conduct my own business, was firm in insisting that bills be paid on time. There may be some who find it difficult, physically or because of the bank, to pay bills on time, but it was always my father's practice to do so, as I am sure it is of hon. Members who have business experience.

I shall sketch one or two general points before I comment on individual contributions to the debate. As almost all hon. Members said, the Bill is no panacea—I notice that the Minister is nodding in agreement. We need not go round the course again on who said what to whom, or who has changed his or her mind on a particular occasion. As the Minister said, almost 60 per cent. of lobby groups representing smaller businesses are opposed to a statutory right to interest—there is clearly a difference of opinion in the business sector. I do not say that opinions do not change over time. I am sure that business and trade organisations approximate themselves to the way in which the wind is blowing as developments occur—as, indeed, they have done to some extent on the national minimum wage proposals. None the less, the Bill is neither a universal panacea nor universally wanted by the business sector.

Another general point, which has been implicit in many of the contributions to the debate, is that the problem that businesses identify in the conduct of their business concerns not interest on late payments but late payment itself. Businesses do not want payment to be delayed. There is no question that large, or public sector, customers will not be good for the money sooner or later, but there is irritation when a large and sophisticated organisation cannot pay. In the case of small customers, however, there is a genuine worry about whether the money will be paid at all—that is probably the major concern of many small businesses, which typically deal with other small businesses.

If the problem is late payment, the provision of statutory interest cannot be a sufficient solution; it may alleviate matters or soften the blow, and it might even help with the cash, albeit rather late in the day, but it does not solve the problem of a late payment culture.

The choreography of the debate has been interesting. The Minister, commendable as she is, has been on her own throughout. Her four ministerial colleagues in the Commons have not even looked in to see her. She has been supported by one Labour Back Bencher, and broadly supported by one Liberal Democrat Member.

My hon. Friend the Member for Chesham and Amersham (Mrs. Gillan), by contrast, was supported by both shadow Ministers, as well as others who have looked in on parts of our debate, and four of my Back-Bench colleagues have made weighty contributions. That suggests that, in the "speak your weight to small business" campaign, there may be a certain imbalance between the parties; that will be noted elsewhere.

I do not mean in any way to criticise the hon. Member for Putney (Mr. Colman), who has had a distinguished, in-depth business career over a long period and spoke interestingly. Predictably—I do not blame him—he supported the Bill. I am pleased that he was in favour of a prompt payment culture. He mentioned factoring, which is an important part of modern business practice—the son of one of my cousins is a distinguished factor—and, in some interesting remarks about the balance of advantage in the Bill, he conceded that there was no panacea.

Mr. Fabricant: I recognise the valuable work that factoring does in assisting the cash flow of small businesses, but does my hon. Friend accept that sometimes factoring companies can be heavy-handed when small businesses are the ones who owe the money? Sometimes they can be so heavy-handed as to drive into bankruptcy small businesses that could have become large businesses.

Mr. Boswell: My hon. Friend points up the dilemma precisely.

The hon. Member for Weston-super-Mare (Mr. Cotter) did not deal with matters in precise chronological order. He produced some slightly unconvincing evidence in support of the Bill and developed his criticisms of it at some length.

I speak from the relative safety of possibly not being involved with the Bill in Committee. I may be anticipating, or even sending a message to the Committee of Selection. The Minister knows how much I enjoy Committee work, but it is not possible to split oneself in two and make two speeches simultaneously. That said, I have never come across a Bill that was more requiring of attention in Committee. Hon. Members' concerns need to be properly discussed.

The Minister will have noticed some variation in emphasis and enthusiasm for the Bill among Conservative Members. My hon. Friend the Member for South-West Hertfordshire (Mr. Page), in a distinguished and fluent contribution, explained the problems and clearly expressed some reservations that I share, when he warned the Government about overselling the measure. He said that it should not be regarded as a philosopher's stone that would automatically remove all business problems, or even the problem of late payment.

My hon. Friend spoke interestingly about measures taken during his stewardship of these matters to stimulate the private sector to improve its own business practice, and also mentioned the record of improving the Government sector. I remember, from my own time as a Minister, that there was a need for improvement. We began to change the culture, and not before time.

The House should consider the current Government's record on compensation for confiscated firearms. We debated the matter early in the Government's life, and pointed out to the Minister of State, Home Office, the hon. Member for Cardiff, South and Penarth (Mr. Michael) that the Prime Minister, when in opposition, had committed Departments broadly to payment within 30 days, but that, even in straightforward cases, there had been a delay of up to six months. That is not good enough, and I hope that it will never happen again.

My right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) said that, if asked whether they would like to get interest on money owed to them, small businesses "would say that, wouldn't they?" I have been in business, and I would love to have had that interest, which would possibly even have helped once or twice. As ever, these matters are not simple and there may be a price to pay.

My right hon. Friend rightly asked whether there were limits to the cases in which intervention could deliver the commitments now made by all political parties to deregulation, and went on to say that intervention in contract law could pose as many problems as it sought to solve.

My hon. Friend the Member for Croydon, South (Mr. Ottaway) and, in his own distinctive way, my hon. Friend the Member for Lichfield (Mr. Fabricant) were perhaps warmer towards the concept of the Bill. The former identified some of the real concerns about late payment, and the latter wondered whether the Bill went far enough. His contribution was very entertaining.

Conservative Members have some controlled scepticism about whether the Bill will materially redress the problem, which we clearly recognise, without causing problems of its own. We are not rubbishing the Bill and will allow it to go to Committee, but we want it to be carefully scrutinised there, so that the problems can be further exposed. There must be a proper process of public education about how the legislation is to work. If it is to work properly—and we wish it well in that sense—it must be understood by the business sector.

The more I have listened to the debate—and especially to the contribution of my right hon. Friend the Member for Bromley and Chislehurst—the more I have realised that the Bill amounts to an intrusion into contract law. The Minister regards the Bill as very much in the interests of fairness and as building on the Unfair Contract Terms Act 1977, but it goes much wider than that.

It seems to me that the impact will be rather contingent. It is not clear to me—I am not a lawyer, and the Minister is—whether it is seriously intended that attempts will be made to attack contracts made between parties other than the original supplier and customer, if the customer switches to another supplier. The only possible way in which one could go down that road would be by specifying national contract terms and having a single model contract. I am not sure whether the Minister wants to do that, but if she follows her own logic she may be driven that way.

A point embedded in the interesting exchange that I had with my hon. Friend the Member for Lichfield was that, while the Minister wants to sell the Bill as a pro-business measure—and one which, by inference, will soften the blow of some of the nasty things that we believe her Department is hatching for business—to help one business by giving it a statutory right to interest is ipso facto to damage another business, which will not be very happy. It is a business-business conflict of interest, rather than a business-labour conflict of interest.

In seeking to replace the normal commercial practices between broadly consenting, if not entirely happy, parties to an arrangement, the Government may create a differential response. The evidence I have seen suggests that perhaps only half of creditors with a right to statutory interest will press for it, while half will not. That, in turn, creates another anomaly. I remind the House that there is nothing to stop the parties agreeing on a contract right to interest at the moment. They can write that in.

Mrs. Roche *indicated assent.*

Mr. Boswell: I see that the Minister agrees. It is not clear what defect is to be remedied which would not otherwise be remedied. If there is a problem in enforcement, it is probably a problem of relative size or of market influence, rather than one that would be brokered by some magic change in the law as proposed by the Minister.

A question that worries me is whether the defects culture will come into the consideration of debts. It would be easy for a firm to say that it did not like what it had received or that the building was unsatisfactory, and that it would not pay until the matter was settled. That may well shift the burden towards yet more litigation on whether or not contracts have been adequately discharged. The Committee must consider whether that chimes in with the statutory right of interest, or whether these matters can be held in the same legislation.

The question of contracts not expressed in sterling bothers me. There is reference in the Bill to overseas contracts under foreign law, but I noted that, yesterday,

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the President of the Board of Trade was effectively writing virtually a blank cheque for the introduction of the euro as a secondary, supplementary or parallel currency in the UK. I presume that contracts made under English law and expressed in euros between two consenting parties will be testable in the English courts.

If that is so—if there is a single interest rate which is characteristic of the euro and the new European central bank throughout euroland, and those countries that use the euro as a subsidiary currency—it is likely that that single interest rate will diverge from the rate generally applicable on sterling debt. If that is the case, there is a possibility that there may need to be a second rate for the euro. If so, I wonder how that would be expressed, and whether parties might wish to convert from one to the other at various times. Those matters should be considered by the House, particularly given the DTI's enthusiasm for Europe.

If one asks small businesses whether they would like interest on late payment of debts, they are likely to say that they would. As so often with what this Government propose, it looks like a good idea at the time, it is easy to say, it sounds good and it is a simple political trick. However, the devil—and the problems for other businesses—will be in the detail. It is right that the detail should be tested thoroughly in Committee.

We have good will towards the business community, and we hope that the problems—some of which we have outlined tonight—do not transpire. To prevent them from doing so, it is essential that we do not collapse into a warm bath of bonhomie without at least considering that there may be problems, some of which I hope that the Minister can respond to tonight. It is on that basis—and on that basis only—that we do not oppose the Bill this evening.

7.23 pm

Mrs. Roche: With the leave of the House, Mr. Deputy Speaker, I shall reply. This has been an interesting debate on an issue of importance to British business—particularly small business. I have listened carefully to the debate, in which a number of issues have been aired; I have agreed with some and disagreed with others, but I can assure the House that I will reflect on the debate when we go to Committee.

First, I wish to deal with the speech by the hon. Member for Chesham and Amersham (Mrs. Gillan), who referred to burdens on business. The Bill is hardly a burden. It provides a right, not a regulation. We received no response to the Green Paper saying that the Bill would be a burden on business. The only burden is that of late payment itself, which the Bill seeks to address.

The hon. Lady referred to taxation and the Budget. The last Budget was excellent for small businesses and has been welcomed by small firms' organisations. She asked how much has been spent on the best payment practice group. The Government measure success by what is done and we are pursuing a package of measures. It is sad that the Opposition cannot bring themselves to recognise that. Money is available to bring our objectives to fruition and that is being provided from existing budgets. The hon. Lady mentioned EU comparisons, and I referred to that in my speech.

The hon. Member for South-West Hertfordshire (Mr. Page) made the valuable point that we face a problem of culture. He is right, and that, in part, is what the Bill seeks to address. We are seeking to reinforce a culture change—a point made by the hon. Member for Lichfield (Mr. Fabricant), who has some experience of this matter. I was interested to hear his remarks about the sunrise industries, which are so important to the economic future of this country. The hon. Member for Weston-super-Mare (Mr. Cotter), who comes from a small business background, also referred to the payment culture. The Bill can succeed only in parallel with our other measures, which I have outlined.

Reference was made to the Lord Chancellor's review, which is up and running. It is a vast task, and measures to expedite judgments are expected to be in place by spring next year. I know that the Lord Chancellor will also review enforcement procedures over a longer time scale. That is excellent news for small businesses and is another measure aimed to improve the payment culture.

The hon. Member for Chesham and Amersham and I had a discussion about late payment by Government Departments. She will be interested to recall that when she was Under-Secretary of State at the Department of Education and Employment in 1995, only 75 per cent. of bills were paid on time. I am sure that she would want to reflect on that.

Mrs. Gillan: The Minister will be aware that over the time I was a junior Minister at the Department of Education and Employment—as is clear from *Hansard*—that payment record improved dramatically to more than 92 per cent.

Mrs. Roche: I am afraid that it had a long way to go. I gave the hon. Lady the opportunity to apologise to small businesses, but she failed to do so. I want to be fair to the hon. Lady, although I was slightly puzzled by her speech. She started by saying that the Bill was almost the road to hell, but then said that she would not divide the House on it. I want to be fair to her. I know the problems that she has. It is reported that she told a freelance reporter who told the Federation of Small Businesses which told *The Sunday Times* that the last Government had lost the small business vote, and that we would be seeing no new policies in this area from her. Clearly, that was her attitude today.

We heard an interesting speech from the hon. Member for South-West Hertfordshire, whom I thank for his kind remarks about the part that we both played in Government Departments. I know that the figure has increased for the DTI. It is not the figure that the hon. Gentleman quoted; from memory, I think that it is about 97.5 per cent. I recognise the contribution that he made in that respect. He raised the important matter of net monthly accounting as an example of the legislation in practice. The Bill will allow that to continue instead of having the default period of 30 days, where it exists in the normal course of dealings between the parties. I refer the hon. Gentleman to clause 16(2). It is always better to agree a date for payment expressly within the contract. The point that the hon. Gentleman made about small businesses is not one with which I necessarily agree. It is important that all businesses pay on time. We want to give small businesses time to develop the necessary systems for timely payment, which is why we propose phasing in that case.

The comments by my hon. Friend the Member for Putney (Mr. Colman) reflected his years of business experience, mainly in dealing with big business. He rightly referred to the importance of good supply chains. Where businesses have succeeded, they have invested enormous time and effort in their supply chains, not only because it is the right and ethical thing to do, but out of enlightened self-interest—it is in their own interest to have good suppliers. My hon. Friend also referred to phasing and the default period, on which we have been holding discussions.

The hon. Member for Weston-super-Mare talked about the definition of a small business, and I understand his point, but it is difficult exactly to define a small business. There are several definitions, for example, in company law and according to the European Union. We have tried to pick on a definition that is workable and is readily understood within the business world.

The hon. Gentleman mentioned phasing: we consulted on the phasing proposals, and 80 per cent. of respondents supported phasing, with about 85 per cent. of those supporting our proposals. It is important that we give the proposals time to bed in, but we shall keep an open mind on the question of the timetable and be responsive to representations from business. He also mentioned the recently published EU directive, which has not yet been discussed by member states, although I understand that it will probably be on the agenda of the Industry Council this week. We have been in discussion with the Commission as it has formulated its proposals.

Turning to the speech by the right hon. Member for Bromley and Chislehurst (Mr. Forth), it would be ludicrous were the Government to ignore the possibility that businesses might abuse their negotiating strength and force excessive credit periods on suppliers—we live in the real world. The best answer to the right hon. Gentleman's point came from his hon. Friend the Member for Lichfield who has experience of small business. The Labour party is the party of small business and we do not want to stand aside where there is evidence of abuse. As for the example of a customer changing supplier because of 15 extra days credit, the idea is bizarre. Suppliers are chosen for many reasons, but I doubt whether 15 extra days credit would be one of them. Businesses look around for quality and consistency of supplies—that is what influences them.

The right hon. Gentleman also spoke about regulation, but the Bill will not impose a burden—it provides a right, not a regulation. It is a matter for the individual supplier to choose whether to make a claim for interest, so I cannot accept the right hon. Gentleman's argument.

Mr. Page: We are all seekers after the truth in this matter, but is it not a fact that, when a large company supplies a small company, more often than not a direct debit service is involved so that there is immediate payment and there are no credit terms whatsoever? There is a complete imbalance, which the Bill fails to address.

Mrs. Roche: I agree that there is an imbalance, but the Bill seeks to correct that balance by implying that term into statute, giving small businesses a remedy whereby they can claim interest if—I stress, if—they wish to do so.

I thank the hon. Member for Croydon, South (Mr. Ottaway) for his remarks and for the role that he has played. He provided a good riposte to the remarks by his right hon. Friend the Member for Bromley and Chislehurst. I welcome his support for the Bill.

This has been short but interesting debate. The Bill is vital to small businesses, which are the economic backbone of this country. I pay tribute to the contribution that they all make and I sincerely hope and believe that the Bill will help them in their important task.

Question put and agreed to.

Bill accordingly read a Second time, and committed to a Standing Committee, pursuant to Standing Order No. 63 (Committal of Bills).

EUROPEAN COMMUNITY DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Standing Committees),

WATER POLICY AND BATHING WATER

That this House takes note of European Community Documents Nos. 7531/97, a draft Directive establishing a framework for Community action on water policy, and 12929/97, the Commission's proposed amendments to this draft Directive; endorses the Government's proposed approach to negotiations on the proposal in the Council; also takes note of European Community Documents Nos. 6177/94, a draft Directive concerning the quality of bathing water, and 12591/97, an amended draft Directive on the quality of bathing water; and endorses the Government's approach to the proposal.—*[Mr. Jamieson.]*

Question agreed to.

Hermitage War Memorial

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Jamieson.]*

7.35 pm

Ms Oona King (Bethnal Green and Bow): I recognise that the subject of this debate strikes at the heart of this country's identity and values. The debate has been kept alive by the extraordinary commitment, perseverance and dedication of the Civilians Remembered campaign.

Let us remember those civilians: 60,595 died in this country during the second world war and half of those—29,890—died in London. With those people in mind, let us remember what the debate is about. It is no exaggeration or cliché to say that it is about honour and sacrifice on the one hand versus private interest and profit on the other. Heaven forfend that private interest and profit have no place in our society—they certainly do—but there are times when public interest and national dignity demand precedent, and this is one of them. Surely the matter is one of national significance, for if the second world war is not a matter of national significance, I do not know what is.

Within that national agenda, I should like to place on record the local circumstances. The House will be pleased to learn that, when the London Docklands development corporation withdrew from Wapping earlier this year, it left behind many new opportunities for Londoners. However, as well as those new opportunities, the LDDC left scars, especially in the minds of the original east enders—the residents of Wapping and the Isle of Dogs. The London docks were, and still are, a hard place in which to live and work—if one has work, that is—but they have always been renowned as a proud place, with a community that looked after its members. The ultimate test of that came during the blitz. As we are all aware, Hitler hoped to create panic and civil unrest to stop people going about their war-related jobs, thus knocking Britain out of the war. The strategy did not work, but many of my constituents remember how hard it was to live through those nights. Many lost civilian friends and relatives—for example, at Bethnal Green tube station, 167 civilians died in the panic to escape bombing.

It is those who made sacrifices and those who lost loved ones whom the Civilians Remembered campaign sought to commemorate when it applied for planning permission for a permanent memorial park in honour of civilians who had died in the war. The chosen location was the Hermitage site—the last open space on the riverside in my constituency. In addition, the wharf on the site was itself destroyed by a direct hit from a German land mine. Surely there could be no more fitting place.

My constituents had hoped that the LDDC—a body which had taken away so much of what was familiar, often replacing it with the unfamiliar and unwanted—would hand over the Hermitage site as a fitting location for a memorial park. Unfortunately, in the face of that heartfelt public demand, the LDDC sold the land to a property developer whose only aim was to profit by raising yet another block of luxury apartments on the river bank.

Hon. Members may be aware, having heard me speak in the House previously, that there is a desperate need for housing in my constituency, but we no longer need luxury riverside apartments which local people will never have a hope of living in. As the local planning authority, Tower Hamlets council asked the Department of the Environment, Transport and the Regions to take the decision on the competing planning applications for the site. It was advised that planning applications are called in only

"if planning issues of much more than local importance are involved."

I return to the point: could there be an issue of more significant national importance? I understand that, in deciding to allow the applications to be determined locally, the following factors were taken into account. First, the development proposals are in accordance with the soon-to-be-adopted unitary development plan; and secondly, they are in line with the conclusions and recommendations of the inspector on the previous application.

Although I appreciate that the Minister has a quasi-judicial role in overseeing the enforcement of planning law, which may mean that he is unable to comment on the merits of the planning applications, I should be grateful for his response to my concern at the Government's decision not to decide on the planning application themselves. That decision was taken in the full knowledge that the planning regulations gave Tower Hamlets development sub-committee hardly any option but to pass planning consent to the Berkeley Homes proposals. In fact, councillors on that committee have said that they believed that they might face a surcharge if they did not consent to the Berkeley Homes scheme.

In those circumstances, I wonder whether the Minister would agree that a permanent and fitting—I reiterate, fitting—memorial site to the civilians who died during the war is an issue of national importance and should not be decided at local level. I also draw the Minister's attention to the fact, of which I am sure that he is aware, that on Friday 24 April, at an extraordinary meeting of the Tower Hamlets planning and environmental services committee, the draft unitary development plan was amended to include a designation of metropolitan open space for the Hermitage site.

Moreover, I draw the Minister's attention to the fact that it is unrealistic to squeeze a public memorial into what will, effectively, be a private garden for wealthier residents, living in those luxury apartments. It is not only disingenuous, but an insult to the memory of those who lost their lives that no space can be set aside for quiet contemplation by those who lived through the blitz. We also need a place where younger people—my generation—can consider what happened and why we have some of the freedoms that we have today. They will not be able to do so by staring at a block of luxury apartments. In other words, this is a legacy that we need to bequeath to future generations. I should also add that it is impossible to express the disgust that my constituents feel at this site being given to property interests over and above the interests of the nation.

There are fairly obvious reasons to call in the planning application. There is the national significance, there is the fact that, in Tower Hamlets, we do not have enough green space and there is the fact that we have the greatest overcrowding in Britain. Self-evidently, we need no more luxury apartments. Putting all that to one side, I appreciate that Berkeley Homes is willing to offer 40 per cent. of the

land as a memorial park, but I would say that even 60 or 80 per cent. is not enough. British civilians did not give a 40, 60 or 80 per cent. effort; many gave their lives. We must take that into account.

I hope that, even at this late stage, Berkeley Homes will agree to donate the land, or, at the very least, to offer it at cost price. In the circumstances, it is not much to offer.

7.44 pm

Mr. Jim Fitzpatrick (Poplar and Canning Town): I congratulate my hon. Friend the Member for Bethnal Green and Bow (Ms King) on securing parliamentary time for the debate. In doing so, she represents the sentiments of many people, not only in London, but throughout the country.

I pay tribute to the tireless work of the Civilians Remembered campaign. Civilians Remembered has established itself as a vigorous and committed campaigning group, whose intention is to honour civilians who lost their lives in this country during the second world war. It is composed of ordinary east end people who have demonstrated extraordinary tenaciousness in their efforts. Although local people's thoughts have a special focus on the east London victims of Hitler's bombers, there is no getting away from the fact that people in other parts of the country—indeed, the rest of the country—who lived through the second world war, as well as those who were not alive at the time but who wish to pay their respects, would welcome a permanent and public memorial to represent the nation's collective honouring of the dead.

In picking up the thoughts of my hon. Friend on the Hermitage site, I feel sure that I echo the thoughts of many people in this country who experienced the war at first hand. They need a tangible expression—a physical presence—to demonstrate that we remember.

Those of us who have not had the experience can hardly begin to imagine what it must have been like to have to respond, night after night, to the sound of air-raid sirens; to vacate our homes for the protection of air-raid shelters; to emerge from those shelters to find our homes destroyed, our shops, factories or cinemas—indeed, whole streets—obliterated and, worst of all, to discover that family members, friends, neighbours and colleagues had been killed by the overnight attacks of the Luftwaffe on its latest bombing raid. In the face of Hitler's attempts to bomb the British people into submission, people stood together and made a remarkable contribution to the war effort and the defeat of the Nazis.

That spirit and resolution demand a public memorial, and it is incredible that such a memorial is not already a long-standing reality. The deaths of 60,000 civilians in Britain during the second world war, and the injuries inflicted on 1,000 more, surely deserve serious and enduring recognition.

In recent months, I have attended several memorials to members of the fire services who died in the war. I was a member of the London fire brigade for more than 23 years. Specifically, there have been two ceremonies to commemorate the single largest loss of life of fire brigade and auxiliary fire service members at Old Palace school on 10 May 1941. The memorial services at the school in my constituency and at Beckenham cemetery were very moving, and I should mention the important role of Stephanie Maltman in researching the history of this event as well as the tragedy at Gainsborough school in Plaistow and many others. Indeed, more than 300 members of the London fire service and the AFS who died during the second world war were commemorated only with the unveiling of a statue near St. Paul's cathedral by the Queen Mother in the past decade, but at least their sacrifice now has a physical memorial, and I congratulate all those who were involved in ensuring that that fitting tribute became a reality.

I know also that colleagues in the London borough of Newham, especially Councillor Chris Rackley, are keen to establish a memorial to civilian casualties near the royal docks in the new barrier park. Despite the fact that the events of which we speak occurred more than half a century ago, the memories are still as fresh to the families and friends of those who died as they are to those who survived.

There was some controversy when the nation purchased the Churchill papers for £13 million. Many people questioned whether that was how the people's money should have been spent, and time will tell. I believe that there would be widespread support were a similar decision taken to purchase the Hermitage site for the nation.

Like my hon. Friend, I believe that it would be wrong to penalise the developers, Berkeley Homes, financially. I hope that the company would be prepared to sell the site to the nation. I therefore challenge the idea that the best use for the Hermitage site is the proposed development of luxury apartments for sale, and retail and commercial units, with a memorial park for use only as an amenity space for that development.

A memorial park created under those circumstances will not constitute an acceptable substitute for the creation of a national memorial park to honour civilians nationally. Such a national memorial can never compensate families for the loss of loved ones, but it can at least show a national will and determination to remember them always. That much we can do.

I appeal to the Minister not to close off that prospect. I believe that the Deputy Prime Minister was wrong when he declined to call in the planning application for further review. As my hon. Friend said, we believe this to be a matter of more than local significance. It is still not too late. If we had a London mayor, he or she would find it impossible to resist the pressure to establish such a memorial.

Every November at remembrance services across the country, we conclude with the pledge, "We will remember them." For the civilian casualties of the last war in the United Kingdom in general and in London in particular, but especially for the east end, those words ring hollow and will continue to ring hollow until we have a suitable memorial where people can pay their respects. For many families, there are no graves. This is a matter not of jingoism, but of acknowledging our heritage, paying tribute and learning the lessons of war.

Europe, I believe, has learnt from its past. Our future lies in co-operation. We in the United Kingdom owe a debt to those who are not here. I hope that our Government will accept the strength of our feelings and our arguments. We need a memorial, and only this Government have the power to create one at the Hermitage site.

7.52 pm

The Minister for London and Construction (Mr. Nick Raynsford): I congratulate my hon. Friend the Member for Bethnal Green and Bow (Ms King) on her success in securing the debate, and on her decision to take the opportunity to raise the important and serious matter of the proposed use of the Hermitage riverside site as a memorial for all the residents of London who died in the second world war. Although it is now more than 50 years since the end of the war, it is right that we should continue to remember the sacrifice of all those who gave their lives during the war. The point was well made by my hon. Friend the Member for Poplar and Canning Town (Mr. Fitzpatrick). I say that with considerable feeling, as my own father was killed in the war.

In addition to those killed in action, there were, as we all know, many civilian casualties, not least in the east end of London, as my hon. Friend rightly emphasised. The east end bore the brunt of countless air raids and V-bomb attacks. It is right that there should be an appropriate memorial to their sacrifice. I pay tribute to the work of the Civilians Remembered campaign, which has done a great deal to argue the case for a memorial in the east end of London.

As I am sure my hon. Friends realise, I cannot comment on the merits of the two current proposals for the redevelopment of the site which recently came before the Department, because the Secretary of State has a quasi-judicial role in the planning system. However, I can use this opportunity to explain the town and country planning background that affects the site, the two planning permissions that are now extant on it, and the factors that the Secretary of State took into account when he considered whether to call in the planning applications.

It may help the House if I first clarify that town and country planning is about the use of land, not its ownership. The planning system looks at the suitability of different uses of sites and the compatibility and harmony of those uses with others nearby.

In planning, individual developments are assessed for their suitability and appropriateness against criteria established in a development plan. When that plan is complete, it will have been subjected to thorough public scrutiny and will be a widely known basis on which planning applications can be brought forward. However, even before the plan is complete and formally adopted, it can be taken into account. Indeed the more advanced its state of preparation, the more weight can be given to it, as against its out-of-date predecessor.

A further general point that may make this case more understandable to the House is that the site is not unique in having two live planning permissions for slightly different uses at the same time. Although the majority of sites are shown in authorities' plans as having a single use, some—like the Hermitage site—are for mixed use, and there can therefore be opportunities for different configurations of use to be acceptable at the same time, and for both, or more than two, to be granted planning permission.

The Hermitage site has a long history of planning applications and public inquiries. In Tower Hamlets' adopted plan, which dates back to 1986, the site is designated for housing development. The draft plan that is being prepared to replace it originally showed the Hermitage site as being for a mix of residential and commercial uses. I shall touch later on how that has now been changed.

The site first came to our Department's attention in 1991, when the London Docklands development corporation was the local planning authority. An outline application for a mixed-use development of the site generated considerable local opposition. The weight of opinion was that the site should remain undeveloped to provide open space around the existing properties with public access to the river, although, as I understand it, there was no suggestion at that time of the site being used as a memorial park. Later that year, in any case, the development proposals were withdrawn.

In 1995, the year that the Civilians Remembered campaign was initiated, the corporation encouraged development of the area, including open space, and selected five different schemes for public exhibition. After consideration of the responses to the brief, a scheme by Berkeley Homes was chosen. In view of the prominent location of this significant waterfront site on the River Thames, the scheme was called in for the Secretary of State's decision.

A public inquiry was held in October 1996 into two proposals. The first of the two applications was for the erection of buildings for residential use. The second scheme also provided mainly residential accommodation in slightly higher blocks, but it also incorporated a new public garden. There continued a significant lobby for the entire site to be used as open space, with a view to that being an appropriate memorial to the civilian dead of the second world war.

Subsequently, after considering the inspector's report, the Minister at the time refused both applications on the ground that, while both applications broadly accorded with the use of the site set out in the current plan and the draft one, they did not meet the density and design standards applicable to such a significant site. However, he noted that the schemes showed that the site could accommodate a bold development at the eastern end and incorporate a waterfront park and memorial park at the western end, but emphasised that that did not fetter his consideration of future applications.

That brings me to the planning applications that are at the heart of this evening's debate. In May 1997, the corporation's decision to sell the riverside site to Berkeley Homes renewed local opposition to any development on it. At almost the same time, the Civilians Remembered campaign submitted an outline application to Tower Hamlets council for use of the land solely as a memorial park. Two months later, Berkeley Homes submitted a new application for full permission to the council, with a revised proposal that included provision for setting aside approximately 40 per cent. of the site for use as a memorial park, which I understand would be freely accessible and open to the public and maintained in perpetuity by the developer. I understand that Berkeley Homes also offered the council a substantial sum to finance the provision of local affordable housing.

After due consideration, Tower Hamlets—which was by then the corporation's successor as planning authority—proposed to approve both applications. However, although in line with the draft plan, the applications were departures from the adopted borough plan, so they were referred to the Secretary of State for his consideration.

At that time, my hon. Friend the Member for Bethnal Green and Bow and other hon. Members wrote to express their concerns about the consequences if Tower Hamlets granted planning permission to Berkeley Homes. The Secretary of State took into account all relevant matters, including the representations on planning. As my hon. Friends know, the Government's policy on call-in of planning applications is to be very selective. In almost all cases, the initial decision on whether a development should proceed should be taken by the local planning authority. Applications are called in only if matters of more than local importance are involved, which need to be decided by the Secretary of State.

After careful consideration, the Secretary of State decided that both applications should be determined locally. The applications were in accordance with the shortly to be adopted unitary development plan for Tower Hamlets and were in line with the conclusions and recommendations of the inspector on the previous application by Berkeley Homes. Given that an earlier public inquiry into similar proposals had informed the nature of the Berkeley Homes application and the content of the Tower Hamlets plan, the Secretary of State considered that the proposal raised no more than local issues, which were appropriate for Tower Hamlets to decide—it is the democratically elected local authority, and it is only right that it should make planning decisions. Issues such as the appropriateness of the site for a memorial, the degree of overcrowding in the area and the shortage of local open space are important. However, they are essentially local issues, which the democratically elected local authority is best placed to consider.

My hon. Friend the Minister for the Regions, Regeneration and Planning wrote to my hon. Friend to explain the Secretary of State's decision on 6 March 1998. I understand that Tower Hamlets subsequently granted planning permission for both schemes, and it is now considering some minor outstanding matters to do with the Berkeley Homes proposal that must be cleared up before building can begin.

I gather also that there is considerable on-going pressure from local residents against the use of the site for anything but open space. In recognition of that, the council changed the designation of the site in the draft plan from "mixed use" to "either mixed use or open space", to allow the use of the site as a park. More recently still, as my hon. Friend said, the council's planning committee decided to modify the draft plan at the adoption stage, to show the Hermitage site as statutorily protected open land. That modification of the plan will have to be advertised, so that proper public consideration can be given to the change. Such a change cannot affect planning permissions that have already been granted, including the ones granted to Berkeley Homes and the Civilians Remembered campaign.

That brings us to the current point in this long story. As I have already stressed—and as I am sure my hon. Friends will understand—I cannot say anything more this evening; nor can I comment on the merits of the case that my hon. Friends the Members for Bethnal Green and Bow and for Poplar and Canning Town have made, because of the quasi-judicial role of the Secretary of State in this and other planning matters.

Question put and agreed to.

Adjourned accordingly at two minutes past Eight o'clock.

House of Commons

Wednesday 6 May 1998

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Duty-free Sales

Motion made, and Question proposed, That this House do now adjourn.—[*Janet Anderson.*]

9.34 am

Mr. Bill O'Brien (Normanton): It is a privilege to address the House on the future of duty free, which is a thriving and successful business which started in Europe 50 years ago and generates about 60 billion ecu within the European Union. The abolition of the trade would have a significant impact on the economy of the United Kingdom and on activity in many sectors, especially jobs. Keeping duty free would generate wealth which would help to achieve desirable outcomes within EU policy objectives.

A few people in the EU decided in 1991 that selling duty-free goods to people travelling within its territory was incompatible with its internal market and that sales should stop in June 1999. Many hon. Members, Members of the European Parliament and I are convinced that the decision to abolish the trade was based on a false premise. The European Commission claimed, and member states accepted, that the internal market would rapidly reach such a level of integration that duty free would be an unacceptable aberration; June 1999 was therefore nominated as the date for abolition.

Experience has shown, however, that the internal market has not developed on the lines predicted or reached the desirable level of integration, so we request that Ministers call for an impact assessment of the abolition of duty free and that no action should be taken on the current system until the report on the impact of abolition has been presented to Parliament.

I make that plea because of information received not only from the industry on the loss of jobs should duty free be abolished, but from our constituents and from our local regional airports. I can best refer to the situation facing Leeds-Bradford airport, which serves the Yorkshire and Humberside region. A note from the director informs me that the Leeds-Bradford airport committee forecasts a throughput of about 1.4 million passengers for 1998. Two thirds of the traffic is scheduled and one third is charter, and the overwhelming majority of international traffic is to the European Union.

The airport company has been profitable since its formation in 1987. In 1996–97, it recorded a pre-tax profit of £1.3 million, a high proportion of which can be attributed to revenues raised by duty-free sales. The Transport Select Committee took evidence from regional airport operators, and we were told that about 40 per cent. of the airport's income came from duty-free sales.

I am advised that, if duty free is abolished, airports will have to increase charges in addition to the taxes that have been levied recently. Furthermore, the independent consultants Symmonds Travers Morgan have recently estimated that the abolition of duty free at the Leeds-Bradford airport could mean the loss of 70 jobs. That was calculated by forecasting the number of on-airport retail jobs in 2005 with and without duty free. The difference between those two figures was grossed up to take account of jobs arising indirectly from the economic activity in the airport. The airport is a successful business which generates employment and, if duty free is abolished, people will lose their jobs and have to go on benefit.

Passengers through Leeds-Bradford airport, many of whom are my constituents, benefit in three ways: they enjoy using the duty-free shop; they are now enjoying the extended departure lounge, the new air-bridge and the upgraded check-in concourse, which duty-free revenues have helped to facilitate; and they benefit from the fact that airport charges have not increased since 1995 because resources from duty-free sales have enabled airlines to avoid passing on any increases in charges.

Mr. Andrew Mackinlay (Thurrock): What my hon. Friend has said is very interesting, but who would not shout foul if they were to lose a state subsidy that they had enjoyed? It is unbelievable and indefensible that anyone should argue that some limited businesses should continue to receive this state subsidy. It is time that people who do not travel stopped having to pay for the boondoggles and beanos of those who do.

Mr. O'Brien: That is far from the real issue. No one loses out under the present system of duty free, but a substantial number of my hon. Friend's constituents could lose out if duty free were abolished. If my hon. Friend took a poll of people in his constituency, he would discover that a substantial number would argue for the retention of duty free because of the impact of the loss of revenue from duty-free sales on charges and services.

This morning, I received a letter from a constituent, Mrs. C. Eason from Stanley. She writes:

"Dear Mr. O'Brien,

I am writing to voice my concern regarding the planned abolition of duty free shopping in July 1999.

Duty Free shopping is part of the fun of going on holiday, everyone likes to think that they are 'getting a bargain', notwithstanding the fact that if the shops shut down what will happen to all the staff? Another set of hard working people put out of work and for what?

The general public will again lose out as it will cost extra to travel and maybe even longer journeys as I am led to believe that a loss of duty-free shopping will mean some routes closing completely.

I hope that my views will be noted as I feel strongly that duty-free shopping should not come to an end.

Yours faithfully,

Mrs C Eason".

I am sure that the view of my constituent is reflected in many areas, particularly by constituents of hon. Members present.

Mr. Roy Beggs (East Antrim): That correspondence is similar to other letters that most of us have received. Has the hon. Gentleman received any request from a

[Mr. Roy Beggs]

constituent for duty free to be abolished? Does he agree that hundreds of thousands of employees are distressed by the prospect of duty free being abolished within the European Union? Where are those people to be employed?

Mr. O'Brien: I have not received any correspondence or pressure, except from Government sources, for the abolition of duty free. The majority of requests that I receive are for me to fight to retain duty free—hence this morning's debate.

I shall wind up my speech, as many hon. Members wish to take part in the debate. Will the Financial Secretary tell us what rules will be put in its place if duty free is abolished? I reiterate the call for an impact assessment of the abolition of duty free. I understand that there is no argument in the Treasury about that, so our Ministers should present the case for such an assessment. I ask the Financial Secretary to consider my points carefully and to agree to request an impact assessment. I will accept the result of that assessment whether it is to abolish or to retain duty free.

Mrs. Margaret Ewing (Moray): I apologise to the hon. Gentleman, but I shall have to leave to attend another meeting. I fully support his call for an impact assessment, although the Government seem reluctant to consider that issue. Does he accept that in the single European market it is important to ensure that beverages are taxed at the same level according to alcohol content? A campaign has been run by the Scotch Whisky Association and other organisations to ensure that there is a level playing field throughout the European Union.

Mr. O'Brien: I hope that, if we cannot have the same level of charges throughout the European Union, we can at least narrow the gap, because the tax in some countries is 10 times higher than in others. I would find it acceptable to have a fairer application of charges. The impact assessment would help to provide information that could be used to determine that principle.

I hope that the Financial Secretary will give serious consideration to my points and that assistance will be given to help us to understand why duty free is being abolished and what social and economic consequences that could have on some of our regions.

9.47 am

Mr. David Wilshire (Spelthorne): I remind the House of four points. First, this debate is not about the cross-channel trade, which is duty paid. I mention that because, when I have sought to persuade some of my colleagues that keeping duty free is a good idea, they have referred to the harm done by the duty-paid trade coming across the channel. I stress that that trade will continue whatever happens to the duty-free trade.

Secondly, in case Labour Members are tempted to say that it is all very well for a Tory to argue against abolition, the records show that I opposed the Conservative Government when they supported this decision in the first place. I am not trying to make party political points.

Thirdly, the northern boundary of my constituency is the southern boundary fence of Heathrow airport. My fourth point flows from that. Some people have suspicious minds, so, for those who have not read the Register of Members' Interests recently, I want to make it absolutely clear that I have no financial interest and no financial links with British Airways, BAA or the tobacco and drinks lobbies. I do, however, have close links with large numbers of their employees—my constituents. My constituents, my local businesses and the whole economy of my constituency depend on the continued prosperity of Heathrow airport. In view of the strictures of the hon. Member for Thurrock (Mr. Mackinlay) against those of us who speak up for duty free, let me make it clear that, if speaking up for my constituents is a crime, I plead guilty, and I make no apology for it.

There is a powerful case for keeping duty free. My main justification, trivial as it may sound, has always been that it is a harmless bit of fun in an otherwise dull world that gets duller by the week.

Mr. Mackinlay: It is a subsidy.

Mr. Wilshire: I shall deal with the subsidy argument later.

It is a harmless bit of fun which we all enjoy, so why not keep it? There must be, and there are, other justifications that are just as powerful. First, I am convinced that duty free keeps ticket prices down. Anyone who does not believe that should consider why Heathrow airport has been given permission to raise landing charges by 7.5 per cent. in anticipation of loss of revenue.

Figures tell us that, if we lose duty free, £10 will be added to the price of a one-way ticket to anywhere in the European Union. At present, most of us probably spend £10 on duty free, but, under the current regime, we have a bottle of something to remind us of the pleasure. In future, we will simply part with £10, and have nothing to show for it. Duty free keeps prices down.

Secondly, the profits made at Heathrow—I make no attempt to speak for anywhere else—have been used to fund capital investment. The Heathrow express rail service has had £440 million spent on it, and it owes a lot to duty free. The improved terminal 2 has had £54 million spent on it, and it, too, owes a lot to duty free. Baggage handling, now that it works, is a plus for the airport, and £250 million has been spent on it.

Let me pick up a point made by the hon. Member for Thurrock about terminal 5. It is important that that terminal should be built at Heathrow. My constituents want it and, provided we get the environmental safeguards, duty-free profits will be needed to make it a going concern. At the last general election, when I said these things, neither my Labour nor my Liberal Democrat opponent criticised me; they, too, understood the importance of terminal 5 to my constituency.

It is vital that duty free should help to keep Heathrow as Europe's No. 1 hub. If it does not remain No. 1, my constituents and local businesses will suffer. The argument touches on the point made by the hon. Member for East Antrim (Mr. Beggs) about jobs. Inside the boundary fence at Heathrow, there are 55,000 jobs, and I represent many of those people. It is reasonable to estimate that, if duty free goes, about 1,200 of those jobs will be at risk. I do not know how to calculate the knock-on effect on associated jobs outside the airport.

I am realistic. I am aware that there is a case against duty free, but I find that case spurious. There are those who argue that duty free is not appropriate within the

European Union. Why ever not? Duty-free sales between sovereign, independent nations are well established. The nations of the EU are sovereign and independent, and anyone who argues that we should not have duty free within the EU is admitting that he wants a single country. I do not, and duty free helps to show that we are not one and the same place.

The second argument that I hear against duty free is that it is a silly anomaly, which no longer makes sense—it cannot be had on Eurostar, and one cannot do this or that. Perhaps it is an anomaly, but what is wrong with anomalies? Let me set out an alternative anomaly. Duty free is abolished, and you, Madam Speaker, decide to fly from Heathrow to Lisbon. British Airways will be anxious to continue to sell you something. You will have to decide, before leaving Heathrow, whether to buy from British Airways at British tax rates, or to wait until you are flying over France, when you can buy at French rates. Alternatively, if you are very lucky, the aircraft may fly for 30 seconds over Andorra, where you can buy duty-free goods. Would it be better to wait until Spain? Failing that, you may decide to buy just before you land in Lisbon, if the Portuguese rate is more attractive. To say that duty free is an anomaly may be correct, but there are other equally stupid examples of what will happen if we no longer have duty free.

A convincing argument for some people—the hon. Member for Thurrock rather likes it—is that duty free represents a loss of revenue to the Treasury. As the hon. Gentleman so prosaically put it, it is a subsidy. He is wrong; duty free is no such thing. Duty-free sales are based on what can best be described as a human weakness, from which I suffer more than most. I cannot resist a bargain. Hon. Members should do what I do. They should go to Heathrow, and talk to the people who run duty-free outlets. They should talk to my constituents who work in those outlets: they will tell amazing stories of what people will buy because it is cheap. I do not for one minute believe that, if we abolish duty free, all that purchasing will shift to duty-paid goods. If it does not, my constituents will lose their jobs, and manufacturers will have to lay people off because their sales will go down.

Fiona Mactaggart (Slough): I, too, have a number of constituents who work at Heathrow. Does the hon. Gentleman agree that Heathrow estimates that only about 50 per cent. of air-side sales are of duty-free goods? The duty-free taster gets us to buy other goods on which tax is paid. The Treasury receives a lot of revenue from those sales, which would not be earned if the duty-free taster did not persuade people to shop at Heathrow.

Mr. Wilshire: I agree. I am conscious of the fact that, if I say too much, I shall take the hon. Lady's speech from her. She will advance the same arguments from the west of the airport that I advance from the south. If she will forgive me, I shall not go down that track, but she is absolutely right.

I realise that I need to be constructive. There are good arguments for and against. However, it behoves those of us who speak up to make a practical suggestion about what should be done. I would settle for another postponement. The real impetus behind the argument for abolition of duty free is the assumption that prices will be the same throughout the EU. Indeed, my reason for saying that duty-paid sales across the channel are not relevant is that the power of different duties is driving massive vanloads of bootleg liquor into this country to be sold heaven knows where.

I would settle for a postponement until duties are the same throughout the European Union, and I urge the Financial Secretary to work towards that goal. I believe that she would be pushing at an open door. It may sound strange for a Tory to say this, but if she wants to improve her Government's poll ratings—perhaps she does not feel that that is necessary—keeping duty free would be a splendid way to do it. Like the hon. Member for Normanton (Mr. O'Brien), I have had a large number of letters saying, "Keep it," and not one representation from a constituent who wants to see it go.

Let us have a postponement. I would feel comfortable with that, because I believe that the day of harmonised duty is a long way off. Indeed, it is so far off that pigs may fly before we see that happy day. On the day that we see jumbo porkers land on the runways of Heathrow instead of jumbo jets, my constituents will know that duty free is finished.

9.58 am

Mr. Gwyn Prosser (Dover): Hon. Members on both sides of the House will be raising their concerns about the negative impact that the abolition of duty-free and tax-free sales will have on their constituents and on travel industries in their constituencies. For my part, I was concerned about the effects of the abolition of duty free on cross-channel ferries in my Dover constituency long before I became a Member of the House. My first fears were alerted more than 10 years ago when I was sailing on cross-channel ferries in Dover and representing seafaring colleagues in NUMAST—the National Union of Marine, Aviation and Shipping Transport Officers, the Merchant Navy officers' union—and thousands of other people in Dover, Deal and east Kent, who opposed the Channel Tunnel Bill in this House and in the other place.

We opposed the Bill because of the unfair advantage that it gave to the tunnel, because of the huge impact that it would have on our successful ferry services and because thousands of jobs would be lost in our port-related industries. It was during the Bill's passage that we first heard of the European Commission's decision to abolish duty-free sales. We knew that abolition would cause more redundancies in Dover and east Kent than the channel tunnel, as a direct result of which 2,000 jobs would be lost.

The 1987 Conservative Government rejected all our forecasts of job losses, of viability and of building time. Of course, we know now that all their predictions have been proved wholly wrong, but they did at least conduct an impact study on the tunnel's effects on Kent before allowing it to proceed. Support for an impact study on the effects of the abolition of duty free is all that we ask of the Financial Secretary this morning.

Of course, we already have a fair idea of the impact from numerous independent studies. All the results have been hugely negative. Take the most recent study from the Centre for Economics and Business Research Ltd. Figures show that, in the whole of Europe, up to 130,000 jobs will be lost in the first two years after abolition, that, in the whole of the UK, up to 23,000 jobs will be lost by 2005 and that, in the whole of Kent, 5,000 jobs will be lost.

[Mr. Gwyn Prosser]

That report shows that the biggest burden will fall on Kent and that the biggest proportion of job losses will take place in my Dover constituency, which houses the busiest ferry port in the world, but still has areas of deep deprivation and high unemployment. However, Dover is fighting back. We have assisted area status, which we must retain, and important investment plans, and we are building our second cruise terminal, which will be the premier cruising port of Europe. Having lost thousands of jobs with the closure of the east Kent coalfield, the introduction of the single market and the opening of the channel tunnel, my constituents deserve better than to be penalised again by a decision that none of the member states seems enthusiastic about, that no member of the public wants to support and that has never been tested by an impact study.

As well as the social and economic impact that has already been identified in our studies, the impact of abolition on smuggling has to be considered. I know that my hon. Friend the Financial Secretary is aware of the bootlegging problem that my constituency faces, despite the excellent work by Customs and Excise officers, albeit under difficult circumstances.

It is important, and this was brought up earlier in the debate, that we differentiate between legitimate "on board" duty-free goods, which are carefully controlled and strictly limited, and shore-based duty-paid goods that are bought in France or elsewhere in the European Union, the sale of which is not controlled and all the limits on which are widely drawn. I have always taken the view that the availability of duty free has acted as a safety valve, relieving the pressure and temptation on most travellers to overload with duty-paid goods. On that basis, abolition will serve only to increase bootlegging and the loss to the Exchequer.

Duty free provides a simple, well-tested regime that everyone understands and is easy to administer. Zero tax plus zero duty equals zero. The industry wants to know what will replace duty free on the ferries sailing, for example, from Dover to Calais. Will goods be charged at UK rates, French rates or something in between? What about the ferries and aircraft that pass over three, four or even more different tax areas? What tax regime will be applied to them? When will it be applied and who will enforce it?

Those questions have been asked over a long period with no answers. It is little wonder that, with just 13 months to go, the industry believes that only chaos will reign if duty free is indeed abolished in June next year. Perhaps the Financial Secretary will have some answers for us this morning.

The industries and the jobs that they support are being damaged because they cannot draw up business plans, plan prices and forecast employment numbers and, of course, as has been said by all hon. Members who have spoken so far, duty free is tremendously popular. For some people, it is even more popular than motherhood and apple pie. The people would win any referendum on continuance hands down.

Continuance of duty free has scored about 75 per cent. in some opinion polls, which makes it even more popular than our Prime Minister. I am convinced that the people of these islands want both to continue for as long as possible.

Several hon. Members *rose—*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. An Adjournment debate is a Back Benchers' debate and hon. Members should follow the example of the hon. Member for Dover (Mr. Prosser) and be brief.

10.5 am

Mr. David Chidgey (Eastleigh): Your words, Mr. Deputy Speaker, have penetrated my head very clearly and I shall do my best to summarise my points.

There are four important points to consider and it is interesting that hon. Members on both sides of the House are showing genuine concern about this issue. What is the purpose of banning duty-free sales? As I understand it, it is part of a grand design for the single market, which was set down in the 1980s, the aims of which are perfectly laudable from where I stand. What would be the benefits? The benefits, we believe, would be the equalisation of taxes and duties across the borders of the independent states of the European Union and freedom of trade without barriers, which, again, is a laudable aim. There is the added advantage, as the hon. Member for Thurrock (Mr. Mackinlay) has continually reminded us, of increased taxes to the Exchequer—perhaps.

What would be the disbenefits? Already this morning, hon. Members have talked of their concerns for their regional and local economies, the threat to transport links and the effect on bootlegging of duty-paid sales, which is a far more serious problem than people have said. What would be the reasonable gains from banning duty-free sales to the economic stability of the European Economic Community, to the social and economic goals of the EU and to our citizens?

It was the view in the 1980s that a single market would rapidly reach such a level of integration that duty and tax-free goods would become an unacceptable anachronism and something of the past. The view was that, within a single market, indirect taxes would all obey the same rules and same tax rates, and that the same exemptions would apply throughout the EU. There would be steady progress towards fixed harmonisation throughout the EU.

Those aims are laudable. My party and I are happy to support them and have long supported them, but the reality is that little progress has been made in the past 20 years. There is no immediate prospect of uniform indirect tax systems or rates. In that context—we must consider this—banning duty-free sales in isolation has that great danger of putting the cart before the horse.

I am greatly in favour of removing any distortions that exist in competition because of duty free, distortions between different modes of transport—sea, air, road and rail—and distortions between duty-free and duty-paid goods that are on sale in our retail outlets. Abolishing duty free could strengthen the policy of freedom of trade throughout the European Union, removing the barriers that we have been trying to remove for so long. It could bring extra revenue to the Exchequer and remove the subsidy about which the hon. Member for Thurrock

chirrups in a sparrowlike fashion from a sedentary position. However, the reality is that we do not know how much. We could equally lose money to the Exchequer through loss of capital gains tax and national insurance contributions, and indeed through the cost of unemployment.

What would be the disbenefits of banning duty-free sales? There is genuine cross-party concern about the impact on our regional and local economies. Yes, we have seen the figures that have been thrown out by several studies, admittedly supported by people who have an interest in this: I accept that. However, the studies are there, and the figures show that perhaps 140,000 jobs will be affected. The business currently provides that number of jobs.

Mr. Mackinlay: Will the hon. Gentleman give way?

Mr. Chidgey: I will continue, if I may. Although we have enjoyed the hon. Gentleman's sedentary interventions in this debate, I will continue with my speech.

Some estimates show that 20,000 jobs are directly at risk. I do not pretend to know whether those figures are valid, but the concern exists. There is therefore a need to examine the matter in detail.

I should like to speak briefly on behalf of my own constituency. In Eastleigh, we have the headquarters of one of the best-known distributors of duty-free goods—*[Interruption.]* I accept that I am speaking on behalf of my constituency—as I think every hon. Member should do. Several hundred jobs are at risk in that firm.

Manchester airport is one of the few municipal airports in the United Kingdom to plough its profits back into investing in its infrastructure. I am told by employees there that there is one extra cabin crew member on every charter flight leaving Manchester airport to sell duty-free goods. Those jobs would go if such sales were abolished. Therefore, those at Manchester airport, too, have genuine concerns.

There is genuine concern also about the viability of many of the cross-channel ferry routes, and of ferries across Europe, if duty-free sales are banned. We must consider the possible impacts of ending the sales. In Hampshire, the Portsmouth and Southampton ferry ports have invested very heavily over the years in the operation of cross-channel ferry services.

I will not deal with the matter of bootlegging sales—as it has already been covered quite adequately in the debate—or with the anomalies that will arise because of the different duty rates applying on the continent of Europe and in the United Kingdom. Those anomalies are the real problem. We have made no progress in harmonising duty levels among the European Union member states—although we surely must try to do so.

I ask the Financial Secretary to realise that, although we may have set off with great ideas of harmonising tax and duty across the European Union, the harmonisation process has stalled. Although the European Parliament has brought that fact to the attention of the European Commission—which, in 1991, made promises to undertake an impact study of the effect on the regions of banning duty-free sales—many people across Europe are concerned that, when push came to shove, the Commission reneged on its promise, despite the fact that, time and again, the matter was brought back to the Commission's attention by Members of the European Parliament.

When the matter was brought to the attention of the Financial Secretary to the Treasury, she said that she understood the point on jobs made by the hon. Member for Slough (Fiona Mactaggart), and that

"The Government's position, therefore, continues to be to support the demands for a review of the impact of the duty-free regime ending in June 1999."—[*Official Report*, 15 January 1998, Vol. 304, c. 480.]

That was a very sensible approach for the Financial Secretary to take, and I hope that she will today confirm it to the House.

Time is running out. There is growing acceptance in member states of the need for a review of the policy. I urge the Government to add their weight, while they hold the presidency of the European Union, to calls for a detailed study of the effects of abolition in advance of harmonisation of general taxes and duties, and for concrete proposals to deal with the disbenefits that regions may suffer from abolishing duty-free sales, which will severely affect local economies. Such action would be in the interests of the United Kingdom. It must be in the interests of the European Union, and also of common sense.

10.12 am

Mr. Ivan Henderson (Harwich): I support an assessment of the impact that abolition of duty-free sales may have on constituencies and regions such as mine. My constituency contains Harwich international port, which operates ferries to and from Hamburg in Germany, Holland, Denmark and Sweden. Last year, 1.8 million passengers passed through our port. The average passenger spend on duty free was estimated at £20 per head, for a total of £36 million. Those figures show the impact of duty-free sales on the port's finances.

Duty-free sales do not benefit only shipping companies and airlines. In my constituency, local shops, regional tourism, restaurants, hotels, and bed-and-breakfast facilities all benefit from passengers who use the port and make duty-free purchases. If ferry ticket prices were to increase because of abolition, that would surely have an impact on the economy of both Harwich and the region.

In recent years, my area has suffered unemployment levels of more than 9 per cent., and things are only now starting to improve a bit. Although the Government's new deal is helping employment levels in my area, we cannot afford to allow anything to jeopardise that growth.

Ferries in Harwich carry freight, too. If that freight stops coming to Harwich, dockers' jobs will be affected. If shipping in Harwich is curtailed, seafaring jobs—which have been badly affected over the years—will be adversely affected. We finally have a Government who are examining ways of helping the shipping industry to grow—preserving a part of my constituency's, and our country's, proud heritage.

Let us make no mistake about the effects of abolishing duty-free sales. The evidence shows that, in my constituency, the first jobs that will go are British shipping jobs. My constituency once had hundreds, perhaps thousands, of seafaring jobs; we are now down to 58 such jobs. I do not want those remaining jobs to disappear, simply because an assessment was not made of the impact of abolishing duty-free sales.

[Mr. Ivan Henderson]

Like other hon. Members who have spoken in the debate, I have received many letters not only from constituents but from employees working for ferry companies, dock companies and other parts of the industry that might be affected by abolishing duty-free sales. Those people tell me that they are concerned about keeping their jobs. I have not received one letter from someone at a local shop or supermarket saying that we should do away with duty-free sales or that they would benefit from abolition. Local business people realise the benefits that they receive from duty-free sales on ships and from passengers passing through our ports. Passengers visit our shops and stay in our hotels and bed and breakfasts, creating security for those working in those industries.

I urge the Government to support an assessment of the impact of abolishing duty-free sales, not only on United Kingdom employment but on European employment. I am certain that my constituency will be affected if duty-free sales are abolished, and that we will consequently suffer job losses.

10.16 am

Mr. John Wilkinson (Ruislip-Northwood): This is a most instructive debate. It is rare—and very welcome—in this place to see such unanimity on both sides of the House. We must consider the origins of the bind in which the Government find themselves, as they lie with the European Union. I suspect that, over time, there will be ever more occasions such as this one, when hon. Members of all parties realise that the European Union is an instrument more for the destruction of jobs than for the generation of prosperity and the increase of our national wealth.

Mr. Murphy—one of the many scores of my constituents who have written to me—who is from Ruislip, put the matter very well. He wrote:

"We are still a long way from a true single market and it seems ridiculous that this travel benefit is threatened when it provides so much for everyone in the EU, particularly in terms of employment. I find it incredible that UK is investing in employment schemes, but nothing is being done to save existing jobs."

Of course nothing is being done, because the Government feel impotent.

Hon. Members, even in our unanimity, know in our heart of hearts that we probably are impotent. We cannot alter European Union directives; nor can we reject them. The directives are incorporated into British law, over our heads, and British people must suffer the consequences, with their jobs.

The job losses caused by incorporation of those directives are in addition to the jobs that have been lost in the convergence process—in the continent's search for a single currency—and the job losses that will ensue from the fudged criteria which have been adopted for economic and monetary union, which will lead to higher interest rates on the continent than would otherwise appertain. It is a tragedy and a scandal.

We have heard so much from the Government about the possibilities that are open to the United Kingdom because of our presidency of the European Union. Let us judge them by their rhetoric, and determine whether their rhetoric can bear fruit by saving jobs that will otherwise be needlessly lost.

I earnestly hope that at the forthcoming meeting of the Council of Ministers—I gather that the Economic and Finance Council is the only body that can reverse this extraordinary decision, and must do so by unanimity—the Government will take the lead and say that they will not impose this ridiculous measure. If we for once decided unilaterally that we would act in the interests of our country and of our constituents, our voters would be less cynical about British politics and about this place. The trouble is that successive Governments have been supine in their attitude towards the European Union.

In reply to a parliamentary question from me, the Financial Secretary told me that I should blame my own party when it was in government for what it acquiesced to back in 1991. It is no good looking back. From June 1999, jobs will be lost unless action is taken now. A study is necessary, but we already know the consequences of abolition. Countless academic studies have shown the damage in terms of revenue and jobs lost, and the damage to infrastructural support and to the economic prosperity which has been generated throughout the regions where ports of entry to the United Kingdom are located. We hardly need more evidence, but if the Commission has to be persuaded by such evidence, let it provide it. I urge the Government not to allow Commissioner Kinnock to stand in the way of such an investigation, as he has done in the past.

Notwithstanding the Government's assertion that there is no hope of unanimity, I believe that there is genuine hope. The Duty-Free Confederation states:

"Last year the Irish and Greek Governments publicly announced their support for the continuation of duty-free.

The German Government has publicly confirmed that it will work for the continuation of duty-free.

The French Government have indicated their support for a study of the issue.

The Finance Committee of the Italian Parliament unanimously passed two resolutions on 30 April (binding on their Government) calling for the continuation of duty-free sales.

It is believed that the Spanish, Swedish and Finnish Governments would also support such a review.

Indeed, all the indications are that no Member State would use its veto to preclude a study of the issue."

So what is standing in the way of the Government? I hope that it is not dogma, preconceived ideas or the inertia with which they usually confront diktats from the European Union—and diktats they are, because no other trading organisation of this kind has such imperialistic ambitions. Mercosur, the south American free trade zone, allows duty free between the states, as do the North American Free Trade Area and the Association of South-East Asian Nations. Only the European Union does not want it, because it hopes for a time when there will be no fiscal differentiation between member states as they will form just one state—an empire which is looking increasingly malign.

10.22 am

Mr. Paul Goggins (Wythenshawe and Sale, East): I shall be brief, but want to make four points. The first concerns economic regeneration. I represent many of the communities around Manchester airport, which have suffered above-average unemployment and poverty over the years. There are many positive aspects to the development and expansion of Manchester airport,

including the development of tourism—last weekend alone, 135,000 passengers passed through the airport—but the most important aspect is the creation of jobs.

Manchester airport is the employment lifeline for thousands of my constituents. Abolition of duty free would threaten the creation of jobs—indeed, it would mean the loss of jobs. I am advised that abolition would reduce income to Manchester airport in the first year by some £24 million, which would immediately lead to a reduction of 200 retail jobs and jobs with the airline companies that operate there. It is the fear of such job losses that has prompted dozens of my constituents to contact me directly.

As the hon. Member for Eastleigh (Mr. Chidgey) said, Manchester airport is indeed a municipally owned airport, and abolition would have some additional adverse effects on such airports. The loss of revenue would not only impact on day-to-day spending but would have a huge effect on investment in infrastructure, because publicly owned airports cannot borrow in the way that private companies can, and therefore have to invest out of revenue. Also, the ultimate beneficiaries of the municipally owned Manchester airport are the council tax payers of Greater Manchester, and a reduction in the airport's income reduces the potential for improving other local public services.

Secondly, I should like politely but firmly to remind the Minister—I am sure that she is already well aware of this—that the success of our Government in their first year is due to the fact that they have not followed dogmatic solutions but have instead pursued policies that work in practice. Duty free is a policy which works in practice. Essentially, it is a deal that splits the unpaid duty between the passenger, who benefits from cheaper goods, and the transport provider, who can provide cheaper journeys. It is a very popular deal. Indeed, Gallup recently conducted a nationwide opinion poll and three quarters of the people who responded in the north-west said that they supported the retention of duty free.

As my hon. Friend the Member for Normanton (Mr. O'Brien) said, the decision that forms the basis of this debate was made by only a few people and based on a false premise. It would indeed be dogmatic to carry on with abolition at this stage, even though other aspects of harmonisation are lagging way behind. Such dogma would add £10 to the cost of each airline seat, and the worst impact would fall on regional airports. In fact, many small airline companies might even face the prospect of going out of business altogether. If we want a policy that works, we ought at least to defer the decision on abolition.

Thirdly, if we are faced with a choice between dogma and what works, I suggest to the Minister that the worst of all worlds would be to try to split the difference—stopping duty free at ports and airports but continuing it on ferries and aircraft. That would be an unfair and confusing mix and would fail to deal with many of the concerns expressed today.

Finally, I join hon. Members from all parties in asking the Minister to call for a full impact study, into the social and economic consequences of abolition. We have been promised such a study but we have not had it. Given the concerns and uncertainties that exist, it would be unwise to proceed without a proper analysis. From what we hear, it appears that a growing number of European countries may welcome such an impact study. It would be appropriate for the United Kingdom, which has a duty-free industry four times the size of the European average, to take a lead in making sure that the study is undertaken and in deferring the implementation of abolition.

10.27 am

Mr. Crispin Blunt (Reigate): I add my voice to that of the hon. Member for Normanton (Mr. O'Brien) and all the other hon. Members who have requested the Government to support an impact study into the abolition of duty-free trade. There is no single market at the moment. There is a wide differential in duty and fiscal rates, and if we think we have a problem now with duty-paid cross-border shopping, let us see what happens from 1 July 1999 if we abolish duty free within the current legislative framework.

The decision in November 1991 to abolish duty free was taken in the light of an implicit assumption about harmonisation. Harmonisation has not occurred; indeed, in many cases, duty rates have diverged rather than converged. An impact study was promised by the Commission as far back as November 1990; now, eight years later, it has been requested by the European Parliament. All hon. Members who have spoken today have added their voice to that clamour to know what will happen.

My constituency is next to Gatwick airport. The livelihood of hundreds of my constituents depends on duty-free trade, and my constituents want to know why the Government are sticking so rigidly to this course. It is legitimate for them to expect the Government to know the consequences of the policies that they are pursuing. Ministers ought to be able to explain to hundreds of my constituents why they may lose their livelihoods.

I can put the case for duty free no better than my constituent, Miss Pierce, one of the scores of people who wrote to me:

"The proposed abolition of duty/tax free 1999. Having worked in the duty free industry for over 5 years, I do feel very concerned that we may lose the right to work in or purchase duty free. I feel it will have a devastating effect on what has been a thriving and growing duty free business.

As an employee and a holidaymaker travelling within the European Union, I see buying duty free as big part/perk of travelling as do many people, and something I do not wish to lose.

In my view, the abolition of duty free goods within Europe will only cause harm and no good to our economy. Therefore I write to you today to ask for your support in preventing this happening."

Miss Pierce hit the nail on the head. There is no economic case for abolishing duty-free sales. All the studies so far—admittedly, they have been financed by the duty-free industry in the absence of anything from the European Union—show that abolition will produce no economic benefit. One effect that will be very deleterious will be an increase in the cost of travel for people for whom travelling is an activity that is right at the margin. Charter airlines can offer cheap travel to holiday destinations to people who otherwise would not have the opportunity to travel. People do not have to buy duty free and create the implicit subsidy to the airlines and the travel industry that brings travel within the range of ordinary people, but its abolition will be regrettable.

[Mr. Crispin Blunt]

It is not good enough for the Government simply to blame the previous Administration. If they take on the policies of the previous Conservative Government, those policies become their policies, and they must defend them if they believe them to be correct.

The British presidency provides an opportunity to review the issue. In two weeks' time, at the request of the Irish, ECOFIN will finally consider it under "any other business". It has taken three quarters of the British presidency to persuade the Chancellor, with the Deputy Prime Minister in the van, even to look at the matter. Our opportunity to protect the interests of our country has nearly gone. I hope that, having heard the debate, and hon. Members' unanimous views, the Minister will press the Chancellor to support an impact study and to open his mind about the policy.

10.32 am

Mr. Kelvin Hopkins (Luton, North): I add my voice to the unanimous view expressed by hon. Members this morning. I am happy to do so. Many of my constituents work at London Luton airport, in duty free and other parts of the air travel sector. Many thousands of jobs in Luton depend on the airport's success and the economics of the airport's operations and the airlines that use it are crucially affected by duty-free shopping.

If duty free is abolished next year, as currently planned, jobs in Luton will be lost, directly in duty-free sales and indirectly elsewhere. The airport's income will be substantially reduced and landing charges will be forced upwards. The price of tickets will inevitably rise and passenger numbers will fall. Abolition will also affect domestic flights that are not involved in duty free and, most crucially, the new low-cost airlines, Easyjet and Debonair, which have made a major contribution to our airport's current levels of growth and prosperity.

The Duty-Free Confederation provides statistics which suggest that landing charges will increase by an average of 20 per cent. and that the cost of package holidays and fares on the new low-cost scheduled airlines will also increase by up to 20 per cent. Luton airport overwhelmingly caters for those two markets.

I speak on behalf of my constituents and the economy of the Luton area, but even if I did not have a constituency interest, I would still argue the case for retaining duty free. First, many thousands of jobs all over Europe will be lost if duty free goes. With 18 million people unemployed in the EU, killing off more jobs for no good reason makes no sense. Secondly, there will be chaos when it goes because no practical replacement regime has been proposed. Thirdly, the UK Exchequer will lose, as inevitably there will be a surge in duty-paid sales to UK travellers in France, Spain and elsewhere to replace duty-free purchases. Job losses in the UK will also adversely affect the Treasury.

The problem that the Government face is essentially political, yet a strong stand by the British Government at ECOFIN would be welcomed at home and on the continent. All the major EU nations will support a decision to make the necessary legislative change to require an impact assessment study of the abolition of duty free and to secure the necessary delay. The Italian Parliament has already proposed a delay until 2002. Several smaller nations also support our position. The only nation that opposes it is Denmark, but the indications are that it would not use its veto at ECOFIN. The best evidence suggests that the United Kingdom would be very popular at ECOFIN if it took a strong stand on the issue. We would be rocking no one's boat by taking a strong stand during our current presidency of the EU. Indeed, it would be expected of us because Britain would be affected more than any other country by the abolition of duty free.

It is not just about Luton airport; it is about jobs in Britain and in Europe and I urge the Government to take a strong lead at ECOFIN in two weeks' time.

10.35 am

Mr. Syd Rapson (Portsmouth, North): Let me first declare an interest as a member of Portsmouth city council, which still owns the port. I support the request for an impact study, which is not much to ask and was promised previously. Without an impact study, we will not know the effects of abolishing duty free and therefore we will not be able to ameliorate them, as is required by European legislation. One of the strengths of the EU is that it has put in place directives requiring the amelioration of the effects of the policy, as was mentioned by the hon. Member for Eastleigh (Mr. Chidgey).

I speak on behalf of my constituency, and I am sure that the hon. Member for Portsmouth, South (Mr. Hancock) would do the same. Portsmouth owns the port, which has two substantial operators, P and O and Brittany Ferries. Each year, the negotiations are very keen, as hon. Members would imagine. It is an excellent business. We squeeze as much as we can out of the operators, and the profits help to reduce the council tax, which is the lowest in Hampshire and no doubt in the south of England. The abolition of duty free would have the knock-on effect of forcing up our council tax and I could speak for about five hours on the resulting impact on the area.

The channel tunnel severely undermined our trade, which suffered a 15 per cent. drop last year. Having overcome that unfair attack, we now face the possibility of another 15 per cent. cut if duty free is abolished. Therefore, I hope that the Minister will listen to our requests for an impact study so that Europe can use its power to ameliorate the effects of the policy before it comes into force.

Mr. John Smith (Vale of Glamorgan): If we are successful in getting an impact study, does my hon. Friend agree that it is vital that it should examine the role of regional airports in emerging regional economies throughout Europe, especially in the single European market? Air travel is the cutting edge of business communication and it may not be fully appreciated what effect any increase in costs to regional airports such as Cardiff international airport could have on the regional economy.

Mr. Rapson: I agree entirely.

10.38 am

Fiona Mactaggart (Slough): I recognise that the previous Government participated in the initial decision to abolish duty free. However, the present Government

will get the blame for taking the bad decision to get rid of something which people want and which creates jobs in constituencies such as mine. It is not being done on the basis of evidence. The evidence that has been produced suggests that continuing with the duty-free regime would be beneficial to the UK economy and would not damage the Treasury. This morning, everyone has been arguing for an effective impact study to find out whether or not that is true. If the duty-free regime is positive for the UK economy, let it continue.

Abolishing duty free will destroy the jobs of many of my constituents in Slough who work at Heathrow airport, which is probably one of the largest employment centres in the United Kingdom. Jobs in the duty-free regime carry on their backs other jobs that also generate income for the Treasury through taxed sales associated with duty free.

Duty free is not a subsidy from the taxpayer to the traveller; it is partly what oils the travel and tourism industry. About half of the £53 million of profit from sales at Heathrow is from duty-free sales. Those sales would generate about £5 million to the Treasury in duty. On that basis, it would take 88 years for the Treasury to receive the £440 million that Heathrow has already invested in the Heathrow Express.

The duty-free regime is a benefit to the UK economy and I hope that we will retain it, or at least have an impact study.

10.40 am

Mr. David Heathcoat-Amory (Wells): There has been an impressive and almost unnatural degree of harmonisation across the Chamber on this subject. The only Labour Member who intervened to speak against duty free has since fled the field and left the Chamber entirely to hon. Members who appear to support the case for continuing the duty-free concession.

The subject was well introduced by the hon. Member for Normanton (Mr. O'Brien), who made as good a case as possible for continuing duty free. His arguments have been supported on both sides of the House. Ending duty free will have consequences for employment, as well as wider trade, social and economic consequences.

The hon. Member for Dover (Mr. Prosser) made the point that duty free may reduce the incentive to smuggle by providing an alternative, legitimate concession. If that concession ends next year, there could be an additional wave of smuggling, with which the Government are already grappling.

The previous Government recognised that duty-free sales in a single market could not continue for ever. With the abolition of frontier checks and of the fiscal frontier, they had to end. We argued for a lengthy transitional period. Norman Lamont wanted that to be between 10 and 15 years, but an end date was agreed. However, it is fully consistent with that to argue at the very least for an impact assessment because certain trends and developments predicted at that time, and on which the decision was based, have not materialised. The main consideration is that the wide duty differential, particularly between the United Kingdom and the continent, has if anything widened.

The Government are partly responsible for that because, whereas we froze the duties on alcoholic drinks in our last two Budgets and cut the duties on spirits, they have increased the nominal rates. One could say that, with the strengthening of the pound, which makes it cheaper to purchase goods on the continent, legally or illegally, the problem has worsened and the differential has increased.

There is therefore a strong case for a study of those trends and developments and consideration of whether the member states that made that early decision would have done so if they had known what would develop later.

There are also practical measures, which have not been discussed as much as they might have been. For example, if duty-free sales end next year, it must be decided what duty rate will apply to sales on ferries and aeroplanes. Should sales on a ferry be priced according to the duty rate of the country from which the ferry leaves? That would mean that a ferry travelling between the United Kingdom and France would have to change its duty structure and prices depending on which direction it was sailing.

Another suggestion is that retailers should apply the duty rate of the country from which they purchase their supplies. That could also create severe distortions. A ferry company that wanted to purchase British goods would arrange for the goods first to be transferred to France to get the lower duty rate and then put on the ferry for sale.

All that is clumsy, inefficient, confused and distorting. I should like the Financial Secretary to tell the House whether those practical measures have been discussed with the Commission and other member states, and what were the conclusions. If those problems have not been resolved, that is, in itself, a case for a review.

Mr. Wilkinson: My right hon. Friend is making an extremely important practical point. What would be the position of passengers who wanted to fly, for example, to Basle in Switzerland? The airport for Basle is located at Mulhouse in France, so would those passengers be eligible for duty free by virtue of their tickets to Basle, because Switzerland is not in the European Union? What would be the eligibility of passengers flying to a non-EU country, who were diverted to an EU country because of weather or technical reasons?

Mr. Heathcoat-Amory: My hon. Friend is applying his ingenuity to asking practical questions to which I do not have the answers. I know that the ending of duty free and the subsequent pricing decisions raise complex issues, which must be addressed well beforehand to give ferry companies and airlines the opportunity to make appropriate purchasing and pricing decisions.

There is an almost overwhelming case for a study. The Government said that they would not oppose a study and then said that they would support one. In the light of this debate, they need to press for a study. We know that some member states are sympathetic to that. I ask the Financial Secretary, on behalf of other hon. Members who have spoken, what discussions have taken place with the Commission and other member states with a view to obtaining an impact study to deal with the legitimate concerns raised in the debate, such as the economic and employment consequences and the practical issues that have been exposed.

10.47 am

The Financial Secretary to the Treasury (Dawn Primarolo): I shall take no lessons from the right hon. Member for Wells (Mr. Heathcoat-Amory) in addressing the serious problems about which my hon. Friends have spoken. After the right hon. Gentleman's Government unanimously agreed with every member state that duty free should be abolished in June 1999, they increased tobacco tax every year from 1991; they increased the duty on beer in 1992, 1993 and 1995, and they increased the duty on wine in 1992, 1993, 1994 and 1995. He knows full well that the decisions on duty free were not predicated on an assumption of tax harmonisation. He has alleged that the Government are not taking responsibility for the position into which his Government locked this country—an allegation which is breathtaking in its contempt for my hon. Friends.

Mr. Blunt: Will the Financial Secretary give way?

Dawn Primarolo: I have been given hardly any time to wind up the debate and I will attempt to answer the questions raised by my hon. Friend the Member for Normanton (Mr. O'Brien) and other hon. Members. I shall cover our inherited position; what is happening at a European level; what the future regime may hold for us; and smuggling.

The other issue on which the debate was predicated was that everyone likes a bargain, and that, somehow, duty-free goods are a bargain. I urge hon. Members to look in some of the superstores in this country, which sell, for example, perfume that is cheaper than that in duty-free shops. I also urge them to look through catalogues to compare prices to see whether people really are getting a bargain.

In congratulating my hon. Friend the Member for Normanton on securing this debate, I should remind the House that the unanimous decision to end duty free was taken in 1991 by the Council of Finance Ministers, which included the then Chancellor, Norman Lamont. The decision is not in this Government's gift. Strictly, therefore, duty free should have disappeared in January 1993 with the completion of the single market. Had it done so, this debate would not be taking place. It is true that the Government managed to get a concession and that the Council subsequently agreed to allow duty free to continue for another six and a half years until June 1999 in order to allow operators time to adjust and explore alternatives. The decision was not tied to any question of harmonisation. The matter is one of unanimity among member states; it is not a matter for the United Kingdom in isolation.

Mr. Blunt: Will the hon. Lady give way?

Dawn Primarolo: I should like to make my points. I shall not give way in the short time available.

The European Commission has already made the position clear. The EU Commissioner for taxation and the single market has said that he has no intention of making a proposal. Only Ireland is publicly supporting the case for extension.

Since the single market was established, the duty-free issue has been discussed on two occasions in the Council of Finance Ministers. On 11 November 1996, the question of conducting a study—the very thing of which the Government will not stand in the way—was raised. In arguing for an impact study on behalf of the previous Government, the right hon. and learned Member for Rushcliffe (Mr. Clarke), the then Chancellor, knew that there was not even a consensus in favour of that.

The matter was discussed in the Council as recently as 9 March. The Government's position was that they would not oppose any moves by the Commission to undertake a study into the effects of abolition, particularly if it considered the successor regime. Whatever hon. Members have been told by those campaigning to keep duty free, it was made clear that there was no enthusiasm among the Finance Ministers of other member states to reopen the matter.

The issue was also discussed, under the British presidency, in the EU Transport Council on 17 March—which is more than happened under the previous Government's stewardship—at the request of the Irish, who pressed the case for a study. Although a number of Transport Ministers supported it—*[Interruption.]*

Mr. Deputy Speaker: Order. The debate has been good natured so far. Let us not spoil it in the last few minutes.

Dawn Primarolo: The Conservatives want to cover up their lack of action. They are being less than honest about the position that their Government took.

There was no consensus at the Transport Ministers' meeting. Indeed, the Netherlands and Denmark opposed the idea of a study. However, the matter is again on the agenda for the Council of Finance Ministers meeting on 19 May. The Government will again offer no objection to the study, but the likelihood is—*[Interruption.]* Conservative Members forget that we have the presidency and that we must ensure that it is used in order to forward decisions, not manipulate them. I must say in all honesty to my hon. Friends that the likelihood of a consensus on a study, let alone any desire to extend duty free beyond 1999, is very remote. Despite what my hon. Friend the Member for Dover (Mr. Prosser) and others have said, other member states are not clamouring for an impact study. Indeed, they do not support the suggestion, let alone the suspension of abolition. Having set out the position, I shall turn to how we can try to take forward this very important debate.

Mr. Gordon Prentice (Pendle): What weight does the Minister give to the recent decision of the European Parliament?

Dawn Primarolo: I think that the question is, rather, what weight the Council of Ministers will give to that decision. My hon. Friends' points about the likely impact on jobs and the nature of the future regime are crucial. We should spell out that, although the industry was given six and a half years in order to help it adjust to the abolition of duty free, it has had no enthusiasm for actively pursuing the question of what a successor regime may look like. It is important that the Government, with the industry and the Commission, do not allow chaos to occur in June 1999, but address the very questions that have been posed in this debate. How do we have a successor regime? How do we ensure that we protect

jobs? How do we assess the likely impact on jobs? I shall return to those points with regard to the study on the matter undertaken by the Department of the Environment, Transport and the Regions after I have given way.

Mr. John McDonnell (Hayes and Harlington): I welcome the Government's decision not to oppose the Irish proposal as a positive move. Heathrow is in my constituency, and 2,000 jobs are at risk. When we have experienced the loss of jobs in my constituency in the past as a result of Government and European policy on, for example, the arms and defence industry, we have been offered direct Government and European assistance through Konver. If we cannot block this measure, we should at least undertake an impact study. We should also be arguing for additional financial assistance to tackle potential job losses in constituencies such as mine.

Dawn Primarolo: I should make a number of points on the DETR study and the jobs issue. There is a huge range of speculation on how many jobs could be at risk.

The DETR study, which I am sure all my hon. Friends have studied very closely, estimates that, following abolition, 2,700 jobs could be lost, of which only one third would be in the UK, and that that would depend crucially on the nature of the successor regime and several discussions on it. Obviously, it is incredibly important that such discussions take place exactly to minimise the impact of the chaos that my hon. Friends have highlighted, which could ensue if the ostrich approach to policy—to pretend that duty free will not end in 1999 and that somehow, at the eleventh hour, there will be a suspension of a decision—continues. In the Government's assessment, there will not be such a suspension. We are moving to deal with all the possibilities, which is a darn sight more than the Conservatives ever did when they were in power. They are shedding crocodile tears about people's jobs, yet they failed to remind the industry that it had just six and a half years.

The Government take very seriously the issue that they have inherited from the previous Government. The Government will not promise miracles because we cannot deliver them. Even though we will not stand in the way of a study, and even though we want to see the impact of the successor regime on jobs, there is, in our estimation, no realistic prospect of an extension. If there is no consensus for a study at the Council of Finance Ministers in May, we should do our best to protect jobs and our interests, and make sure that we have a sensible regime after the chaos left behind by the Conservative Government.

Infertility Treatment

11 am

Mrs. Caroline Spelman (Meriden): I am glad that the House has an opportunity to debate this subject today. It needs to be discussed in a spirit of extreme sensitivity, for there is no doubt that those who suffer the problems of infertility suffer a silent pain within society. I hope that I shall not give offence by what I say today, and I hope that colleagues will make their contributions in a similar spirit.

Natural fertility in human beings is relatively poor; we are not an efficient species. There is only a 20 to 25 per cent. chance of conception in each natural cycle. If those facts and the spontaneous rate of natural abortion were better understood, some of the pain of dashed expectations and the grief of miscarriage might be allayed. In society, pressure on couples is great. Before they are married, people ask why they are not married. If they are married, people ask why they do not have children. If they have one child, people ask why they are not having a second child. Against that background, a significant group suffer the pain of childlessness.

The causes of infertility are various. About one third can be attributed to problems experienced by the woman, and about 20 per cent. to problems associated with the man. A surprisingly high number of cases—some 30 per cent.—remain unexplained. This fact alone should galvanise the Government to redouble their efforts to investigate why the level of unexplained infertility is so high.

I should present my credentials at the start of the debate. I am not a scientific specialist on the subject. I know that others in the Chamber are, and they will talk more about the scientific aspects of the available treatments. I come to the debate very much as a mother, who is fortunate to have three children. However, I have gone through the problem of finding it very difficult to conceive and the strain that that places on a marriage, as both my husband and I were investigated to find who might be at fault. As in that 30 per cent. of cases, after all the examinations of genetic incompatibility and so on, the reason remained unclear. I have been there, but I have not experienced the degree of pain of those who reach the end of the process and are still unable to conceive.

One in six couples in the UK will experience difficulties in conceiving at some point in their reproductive lives. The extent of public funding for infertility treatments varies from region to region. Most infertility patients are either forced to seek private treatment to conceive, or at least are expected to contribute to the cost. One of the reasons that motivated me to apply for this debate is that my health authority—a relatively small authority—offered no assisted reproductive treatment in 1996–97. Effectively, no treatment was available to my constituents. This year, it is available, but only by extra-contractual referral. The budget for ECR is very restricted, so the prospect for the people I represent remains bleak.

For many couples, the only way in which to achieve successful conception is through techniques such as assisted reproductive techniques, or techniques that occur outside the human body, such as in vitro fertilisation. I will concentrate on IVF, but not to the exclusion of other available treatments.

[Mrs. Caroline Spelman]

According to the report of the fifth national survey of NHS funding for infertility services, almost one quarter of health authorities in the UK funded none of the modern assisted conception techniques such as IVF. Obviously, my authority would have been one of those. It is interesting that the recommended level of provision is 40 cycles of IVF treatment per 100,000 of the population. That was the recommended level in the *Effective Healthcare Bulletin*. That compares with the actual figures, which show that no health authority in the UK is providing that level of treatment.

The range is great. Scotland comes nearest to the recommended figure, with 27.5 treatments per 100,000 of population. Wales is next, with 23 treatments per 100,000. I will not go through the entire list but, around the middle, Anglia and Oxfordshire offer 13.6 treatments per 100,000. Another reason why I have chosen this debate is that the west midlands has the worst result, with only 3.5 treatments per 100,000. Northern Ireland publicly funds no modern treatments at all.

Underpinning the NHS provision is the principle that clinicians should have reasonable freedom to use their clinical judgment in respect of the treatment that they consider to be best for their patients, but patently it is difficult to see how there can be clinical freedom where the health authority has banned the treatment. The clinician can still recommend the modern treatment, but it will depend on a patient's capacity to go privately. The cost to the NHS of an IVF cycle—including drugs—is between £1,500 and £1,800. However, some units are able to provide treatment for as little as £1,000.

The cost of private care is significantly higher, and is estimated at £2,500 on average. Those figures are well beyond the pocket of many people. Thus, there is discrimination on economic grounds, as well as by region. The cost is not out of line with NHS treatments for other non-life threatening conditions, large though the sums may seem.

The main point of my speech is to call for equitable funding for infertility treatment throughout the NHS. It is manifestly unfair that one's postcode should determine access to treatment. The current fragmented nature of the availability of fertility treatment is cost ineffective, and the variable waiting lists tend to reduce the chance of success. The regional variation in eligibility criteria produces inequality, confusion and controversy about what help is available. My purpose today is to try to convince the Minister that cost-effective investigation and treatment should be offered routinely by health authorities in preference to some of the older treatments available, which have lower rates of success.

We need to achieve uniform provision and a full range of infertility investigations throughout the country. I draw the attention of the House to a written answer in *Hansard* in respect of infertility services. The Minister said:

"We will challenge and address variations which are not based on the health needs and wishes of local people. We will aim for maximum consistency while still allowing appropriate local and individual responsiveness. We are currently considering what further advice the NHS should be given on infertility service provision."—[*Official Report*, 19 January 1998; Vol. 304, c. *394*.]

I very much hope that we shall hear news on that today.

If the existing money were better spent, a great deal could be achieved with little, if any, extra expenditure. Clearly, national guidelines are needed. Few authorities do not have some form of eligibility criteria for IVF treatment. Only 8 per cent. of all health authorities did not have such criteria in 1996. Of the 66 authorities that use those criteria, 99 per cent.—nearly all—specify a limit on a woman's age and the majority have an age limit of between 35 and 40. One health authority offers IVF treatment to women up to the age of 43. The age limit is crucial for two reasons. First, the later age of childbearing in women may well mean that they wake up to the fact that they have an infertility problem only when they are approaching, or have even passed, the age of 40. Secondly, IVF treatment is much more successful in younger women and the success rate tails off as the woman increases in age. Perhaps it is not surprising that the age limit restrictions placed on the male are higher. In those authorities that place an age limit on the male, it tends to lie between 45 and 60.

Of the authorities that provide IVF treatment, 49 per cent. have criteria related to the length of a couple's relationship—one region in Scotland sets a minimum of five years—most have criteria based on the number of previous children and 67 per cent. have them based on the number of previous cycles of assisted conception, while 88 per cent. put a limit on the number of cycles that will be funded. It varies from one to three cycles.

Throughout the country, there is a wide range of eligibility criteria. The system is just as discriminatory if one is in a health authority that borders on another where such an age restriction applies. Women are well aware of the biological clock ticking and it is most unfortunate for those who find themselves on the wrong side of the border. Candidates may try to get over the postcode criteria by moving into an authority that would be able to meet their needs because of its different criteria. Health authorities perceive that problem and strenuous efforts are being made to clamp down on it. The inequality and variation in the criteria could encourage people to try to buck the system in that way.

To pre-empt the criticism that Opposition parties always ask for more money without saying where it could come from, I suggest to the Minister that a cost-effective way in which to improve access to and the availability of infertility treatment could be to reduce the number of centres and so raise success rates at those that remain. There is definitely a correlation between lower success rates and the number of cycles. That is not an uncommon phenomenon in health provision—the higher throughput tends to improve the success rates of treatments. Again, there is a surprising variation in the number of live births per egg collection at centres that provide IVF treatment. Hon. Members will see what I mean if I provide a few examples. Bourn Hall clinic has a 22 per cent. success rate of egg collections that led to pregnancy; the assisted conceptions clinic in Bath has a higher rate at 25.7 per cent.; Holly house, which is another well-known centre, has a comparable rate of 23.7 per cent.; the Nurture centre in Nottingham has a rate of 24.3 per cent.; and the centre in Leeds has a 23.2 per cent. success rate. Those figures are clustered and are probably close to the optimum being achieved in the country. However, other centres have a significantly lower success rate—for example, Glasgow with 5.6 per cent., Salford with 2.6 per cent. and, according to my figures, south Manchester which has a zero rate—that certainly gives us cause for concern.

Elsewhere in the health service, a similar phenomenon exists with other types of treatment. The higher the number of cycles, the more cases are treated successfully

and the opportunity for teaching and imparting the skills that lead to success is also greater. The only difficulty with this sort of treatment is that, by its very nature, the patient cannot be too far from the treatment centre. Perhaps we could think in terms of regional centres of excellence with a good success rate. In concentrating funding in that way, we could achieve more treatments with a better success rate without spending more in absolute terms.

I crave my colleagues' indulgence, but I cannot conclude my contribution to this debate without flagging up some of the associated ethical issues, and I am about to stray into some controversial areas. I have no desire to block the way for others less fortunate than I to benefit from the advances that science brings, but some of those scientific advances have already given rise to abuse and the law has to be reviewed continually to take them into account. Only last weekend, in *The Sunday Times* of 3 May, we read the publicity about the fact that 300,000 embryos may have been used for research without explicit parental consent, which has caused distress to the parents and donors involved and must raise the question whether the laws in force are adequate to prevent abuse.

The use and subsequent treatment of spare embryos poses a general ethical problem, which stems from the very fact that more embryos have to be generated because the success rate for implantation is only 20 to 25 per cent. In most cases, a maximum of three embryos only can be implanted because of the higher risk of multiple pregnancy posed by that method of treatment, which can result in the need for a selective reduction in the number of embryos. That can cause considerable distress to the patient involved, apart from the ethical question of balancing the statistical probability of success with the prospect of having to reduce selectively a life so created.

An extreme example of what can go wrong was the Mandy Allford case, in which the number of successful implantations was exceptionally high—it had been artificially increased by a fertility drug. It was so high that in the end, none of the babies survived. That unacceptable waste of human life must raise the question whether the laws are adequate to protect the intrinsic worth of human life.

Another area of concern is the origin of the products of conception. In some cases, a donor is essential, either for eggs or for sperm, but, as yet, little research has been carried out into the psychological effect on the parent and/or the child, or indeed the donor, of that aspect of infertility treatment. The law on that aspect came under scrutiny with the Diane Blood case. She wanted to use the sperm of her deceased husband to create new life. Baroness Warnock made the position expressly clear when she said:

"we do not believe it is in the best interests of the child to be conceived without a living father or mother as this may give rise to profound psychological problems".

A way round the law was found in that highly publicised case, however, when Mrs. Blood was permitted to seek treatment abroad. I ask the Minister whether that does not, to some extent, undermine the safeguards that Baroness Warnock had in mind.

Cloning is a recent development connected with the treatment of infertility and IVF in particular—it means creating a genetically identical human being. I have the good fortune to serve on the Select Committee on Science and Technology, and my colleagues on the Committee devoted much attention to that subject in a previous Session of Parliament, but it is a continually moving science. We have the example of Dolly the sheep, cloned from an adult using the method of nuclear replacement. If that technique is further developed, the unique genetic identity of a family could be undermined. Surely a couple who plan to have a family should not, ethically, be able to plan for that family's genetic characteristics.

Some may regard cloning as a way in which to replace a lost child or adult, but that would be a form of cheating death. It would also affect the integrity of the family unit by blurring parent-child distinctions—for example, if I could clone my husband, the clone would be a twin, not our child. If we allowed such a technology to develop, we would be moving away from our concept of how a unique life is generated.

We must ask whether the law is moving at the same pace as technology, and what we really want for the human race. Egg cells, such as those used in the cloning of Dolly the sheep, have 46 chromosomes—a full complement of genetic information to create new life. We need a wider international ban on nuclear replacement techniques.

Two other ways in which to deal with infertility and its difficulties give rise to ethical considerations—surrogacy and adoption. The concept of surrogacy is not unknown in history—there is a biblical instance which, although perhaps not a good example, shows that the practice was known in ancient times. Surrogacy has been publicised in modern times because it is commercially available in some countries. It is hard to prevent commercial surrogacy—although it is illegal in this country, we know from the media of people who have managed to get round the law.

My fundamental objection to surrogacy is the curious relationship that develops as the host mother has to dissociate herself from the child whom she carries for nine months. The psychological problems that arise when the mother has to part from the child are well publicised—some surrogate mothers find parting very difficult, which causes heartbreak and pain to the couples. The question who is responsible if the surrogate child is born handicapped has not been put to the test in law, but we need to deal with it as part of our general consideration of the problems of childlessness.

For many couples, adoption is the only solution to unresolvable infertility problems. Many of us know from experience that adoption can be difficult. There are few new-born babies available for adoption, and couples face a long and hard process if they choose to adopt. I should be glad if more were done to make that process easier, in human terms, without compromising the integrity of protecting the needs of the child at the centre.

I hope that, by evoking some of the more complex and controversial ways in which to deal with childlessness, I have not distracted the House from my basic premise that more should be done to give equal access to couples who need fertility treatment. We all understand that rationing is a feature of public health provision, but to decide who should receive treatment on the basis of a postcode is patently unjust—the disparity in eligibility criteria between health regions that offer treatment is an injustice. I urge the Minister most strongly to consider

[Mrs. Caroline Spelman]

ways in which equal access to infertility treatment could be ensured, and to establish national guidelines for eligibility.

11.23 am

Mr. Fraser Kemp (Houghton and Washington, East): I shall be very brief, as I know that a number of hon. Members want to speak. I listened carefully to what the hon. Member for Meriden (Mrs. Spelman) said, and I congratulate her on bringing this issue before the House—one of the great strengths of the House is that such issues can be discussed.

I want to contribute to the debate because of two of my constituents, who have twice visited me at my surgery. They are decent, law-abiding folk who wanted the national health service to provide infertility treatment. They had spent £2,924, which was all their money—they are ordinary people in ordinary jobs—to obtain drugs and support privately, as, unfortunately, the health region that covers my constituency would not allow them to receive treatment on the NHS.

One of the great tragedies is that the couple would have been eligible for treatment if they had lived in the neighbouring health authority. Such circumstances cause great upset and heartache. We often read in local newspapers of cases in which couples are successfully treated for infertility and have children, but those stories can cause pain to others—they feel robbed because they cannot receive treatment because of where they live.

I understand that a balance must be struck between local decision making and national criteria, but a fundamental principle of the national health service must be equality of access to services, irrespective of where people live. I have taken this matter up with my hon. Friend the Minister, who wrote to me in October saying that the Government supported that principle and were determined to implement it. She also said that fertility treatment was an area of concern.

I believe that anything less than equality of access undermines the basic principle of the national health service. If people are denied support, but see others who live two or three miles away receiving that support, they will lose confidence in the system. We know from personal experience of the heartache that infertility causes couples. I am glad that many of the one in six who need support finally have children, but many of those who need specialist help cannot afford to go privately.

We must deal with access issues as well as research issues as quickly as possible, not only for my two constituents, but for the one in six couples who need infertility treatment. The Government should act decisively and put a stop to the nonsense that eligibility for treatment is assessed on postcode, not on need.

11.27 am

Mr. Andrew Lansley (South Cambridgeshire): I congratulate my hon. Friend the Member for Meriden (Mrs. Spelman) both on securing this debate and on the sensitive and intelligent way in which she introduced it. She highlighted the importance of the issue, which is further illustrated by the fact that some 35,000 couples undertake infertility treatment privately every year, often incurring significant financial hardship. The issue is not simply about money, however; indeed, as the hon. Member for Houghton and Washington, East (Mr. Kemp) said, many couples would willingly spend more if they could.

I hope that those who read or hear about the debate will realise that we are sensitive to the difficulties that many couples face. The national health service is not only for those who are ill; it must promote public health and remedy what might properly be called disease. Before we even discuss public policy, we need to understand the importance that many couples attach to the issue—they believe that their well-being is bound up with their ability to choose whether to have children.

My hon. Friend the Member for Meriden made an important point about the increasing likelihood of success with some infertility treatments. She rightly mentioned the Bourn Hall clinic, which is in my constituency. On a recent contract that the clinic undertook for a health authority, 50 per cent. of the 90 couples involved were able to have a child. That illustrates how the technology is moving on.

We are presented with a paradigm of the problem facing the NHS generally: technology is achieving higher success rates and giving greater incentives to seek treatment, and treatments such as intracytoplasmic sperm injection are drawing into infertility treatment patients who might otherwise have felt that it was futile. That is exacerbating demand on the NHS in the longer run.

My hon. Friend and the hon. Member for Houghton and Washington, East are right: the availability of treatment should not be determined by one's geographical location. In Cambridge and Huntingdon health authority, only 16 couples, out of a population of half a million, are currently contracted for fertility treatment, and no further couples are being accepted on the waiting list. The treatment will effectively be unavailable in the area.

In many health authorities, general practitioners may be able to help couples by prescribing fertility drugs, even though the couples are paying for the clinical procedures. The average cost for the procedures is about £1,600, and for the drugs about £500. Cambridge and Huntingdon health authority now issues strong guidance to general practitioners not to prescribe the drugs. The difficulties and costs are clearly greater in some parts of the country than in others.

We must recognise that the different eligibility criteria in different areas are not necessarily based on clinical assessments. They are often driven by sympathy, which of course I do not despise, rather than clinical assessment of the best circumstances in which to treat couples. We must consider what the NHS should be providing for the population as a whole—to be blunt, that is a rationing issue and a political issue which Ministers must decide—and what it is there to do.

We must all accept that any health authority, and indeed any general practitioner, must set priorities. We cannot intervene and say that one treatment must be provided in any circumstances, but the fact that infertility treatments are available only in certain areas means that the NHS loses its force as a national health service, serving the whole population.

I strongly endorse my hon. Friend's point that there is a case for national guidelines and for bringing together the NHS Executive, the Human Fertilisation and Embryology Authority and the British Fertility Society to establish

some basic national eligibility criteria, while recognising that priorities in individual areas may make it impossible to standardise completely throughout the country.

11.34 am

Ms Sally Keeble (Northampton, North): I am grateful for the opportunity to speak in this debate, because my daughter is a test-tube baby and I know something of the personal pain of which other hon. Members have spoken.

While researching a book that I wrote on the subject, I spoke to many women about their experiences of fertility services. For many of them, after they had undergone a range of different treatments, the end result was the great happiness of having a baby; but for many, even if it worked out in the end, the price, physically, emotionally and financially, was very high.

I spoke to women who had been treated by two or three clinics or doctors at once, sometimes receiving different treatments, and to others who had spent almost all their adult lives on the treadmill of treatment—it is an emotional roller-coaster—until they finally gave up in despair, without ever having had a proper explanation of what had happened or why, and sometimes having suffered serious side effects.

I learned some lessons from that experience. One was about the desperate need for care that is based on need. At present, 90 per cent. of infertility treatment is in the private sector. Most of the clinics that the hon. Member for Meriden (Mrs. Spelman) mentioned are in the private sector and accept people only if they can pay. With private treatment, people literally shop around. I speak from experience: one picks up the telephone and asks the clinic how much it charges, what treatment it provides, what ages it caters for, what the waiting room is like, and many other questions.

By and large, one can get treatment provided that one can pay the bill, and that is a very big proviso. In researching my book, I spoke to many couples who had mortgaged their homes to raise the money to pay for repeated cycles of treatment over many years. People's ability to have a family becomes dependent on the size of their bank balance. I might be insufficiently new Labour, but I think that that is fundamentally wrong in a country with a national health service and a Government who are committed to equality.

I discovered that there was an urgent need for continuity of care, from diagnosis of the condition through to resolution. For many people, that is a long and painful journey which might end in adoption, in pregnancy, in a baby or in simply deciding to go and do something else with one's life. The one place in which the complex issues encountered by the one in six couples who have problems with fertility cannot be talked through and resolved is in private consulting rooms, because there is neither the time nor the space, and most people do not have the money.

Many women have complications as a result of the treatment. I spoke to a woman whose pregnancy turned out to be ectopic. Having been discharged by her private clinic, she was left traipsing around from one accident and emergency ward to another, trying to get help for her distressing, painful and dangerous condition.

I found out a great deal about the Russian roulette of access to services. As a Member of Parliament, I have a home in Northamptonshire and a home in Southwark. In Northamptonshire, the health authority provides no fertility services, so people are forced to go private. In Southwark, one can get treatment, with certain limitations and provided that one is under 40. There is a stark contrast between the different health authorities' approaches.

The previous Labour Government had the great foresight to set up the Warnock committee, which considered all aspects of the new reproductive technologies and produced a report that was one of the great classics of medical ethics. It said a great deal about the ethical approach to the problems that the hon. Member for Meriden spoke about, and the principles have served us well down the years.

The Warnock report also had much to say about the provision of services, although that has been less publicised; it certainly has not been implemented. The report spoke of the need for us to think about national standards and a proper network of provision, so that we would not have the problems associated with the present patchwork quilt of services, under which what people receive depends on either their postcode or their bank balance.

Since the report came out, there have been changes, many of which have worked in favour of greater provision of infertility services. Success rates have increased and costs have come down. I believe that for the Labour party in government, infertility services represent one of the great pieces of unfinished business. It would be a fitting tribute to the work of the previous Labour Government if the present Labour Government completed the work begun all those years ago, and secured proper, fair and equitable access to fertility services for people throughout the country, with services clearly based on need and continuity of care. People's ability to have one of the most precious things in life, a family, would then be properly planned, fair and open.

11.40 am

Dr. Peter Brand (Isle of Wight): This is a debate about whether the NHS is really a national health service. Today, we should be offering congratulations on the enormous advances that have been made in the treatment of infertility—a tremendous clinical and scientific success story. Instead, we are debating the failure of the NHS, because the story is one of failure to provide fair access to services.

We have heard interesting examples from both sides of the House, and I welcome the realisation by politicians that we need to start talking realistically about rationing. Such decisions cannot be left to doctors; we cannot pretend that they are clinical decisions. There are clinical decisions to be made, about eligibility criteria for starting courses of in vitro fertilisation and for the investigation and treatment of infertility in general. However, a host of other eligibility criteria have been produced, and they have nothing to do with clinical practice.

Some eligibility criteria are based on the financial cycle. In my health authority area, one could have two cycles a year, but no more than four. We can imagine the sort of family planning that went into ensuring that one managed four consecutive cycles without falling foul of the rules. In the context of clinical practice, that is nonsense.

It is wrong for a local or regional health authority, or even for an individual GP, to start making value judgments about whether a couple is stable enough to

[Dr. Peter Brand]

deserve such treatment. People should not pretend that that is a clinical decision. Such decisions are emotive and political, and they should be made by people who are politically accountable, yet the way in which the NHS is now structured gives no local accountability whatever. People cannot sack their health authority. They can write letters—to their local Member of Parliament, for example—but, at the end of the day, the only responsibility is for the bottom line, for coming in on budget.

The only accountability is at parliamentary level. If we are to have a national health service, it is right for the Minister to set out clearly what people's entitlement and expectations from the service are likely to be. I am not prejudging the issue, because it is for the Government to set out clearly what they are prepared to fund and to take the political consequences if they get it wrong.

If the Government set out clear entitlements, we shall be able to integrate the service between the private sector and the NHS, and introduce a proper policy whereby GPs can prescribe and give the injections that make the egg ready for IVF treatment—we are talking, in the main, about IVF. There would be a planned service so that people would not have the awful embarrassment of having to chase around seeing multiple agencies, and sometimes being devious, as the only way of achieving what they desperately want.

Such an integrated service would also stop people bankrupting themselves. They would know where they were with fertility treatment. So often, people have two treatments on the NHS and are so sure that a third one would work that they see whether they can raise the money, and go into debt. Even if they are successful, that is an awful way to start a family.

The mark of a civilised society is not only how it treats ill health but how it promotes health. I am glad that we have a Minister responsible for the promotion of health and well-being. Personally, I believe that there is a role for the state in ensuring that people can have babies and a family if they wish. We could indeed create the supportive society to which everybody pays lip service. However, to achieve that, we need to will the resources.

The Government could be brave and say, "That form of treatment is not an NHS responsibility, but we might make a contribution for people who cannot afford to pay," which would be a sort of means test in reverse. I would not support that view. I think that everyone should be entitled. However, I also know that many people who undergo IVF treatment are keen to make a contribution, which makes their baby even more valued.

Under the present system, either people get the treatment because they can afford it—or because they can borrow the money—or they get nothing. That is not the national health service that I believe in, and I do not think that it is the national health service that the Minister believes in, either.

11.45 am

Dr. Ian Gibson (Norwich, North): I congratulate the hon. Member for Meriden (Mrs. Spelman) on choosing the debate and on introducing it in a sensitive and erudite way. I should like to play a part in the debate by discussing fertility and the reasons for infertility, and what we can do about it. I do not apologise for concentrating on male infertility, because, in my experience, there is still a misapprehension in Britain that most infertility is due to the woman. I want to put that myth to rest.

The evolutionary drive to pass on one's genes to the next generation is a powerful force. The hon. Member for Meriden mentioned the social influences on that process, in terms of getting married, having children and living happily ever after. Sadly, the biological processes of the production of sperm and egg do not always allow that to happen.

The hon. Lady also mentioned that one third of fertility disorders are attributable to the male. In my experience, the vast majority of cases investigated involve both male and female factors. There is a tendency for the official figures to underestimate the extent of the problem, as many couples do not seek help because of embarrassment or lack of funds. Many are reluctant to seek assistance.

Infertility is often regarded as a nuisance illness, but, in fact, it is a major source of depressive illness and psycho-social morbidity in the United Kingdom. In that sense, it makes heavy demands on medical and social services.

What are the causes of male infertility? There may be a deficiency in sperm numbers, a reduction in sperm motility, the production of abnormal forms of sperm—involving the size of the head, for instance—blood vessel abnormality around the testes, obstruction of the sperm ducts, testes hidden in the abdominal cavity, or, of course, impotence.

Some of those are caused by genetic factors, some by physical and surgical events—infections, through mumps, for example—and some by environmental causes such as heat. You will know, Mr. Deputy Speaker, that many people in Scotland advocate the wearing of kilts to protect sensitive organs from the effects of heat—I am not declaring an interest in kilt wearing, incidentally. Radiation also has a major effect on sperm production.

Drugs, alcohol and tobacco are also well known to have effects on sperm production. There is also increasing evidence of adverse trends in several measures of male reproductive health—in testicular cancer, for example. There is also the increasing use of environmental chemical contaminants that mimic oestrogen hormone-like activity. Although the causal relationship is by no means proven yet, and diet and life style might be equally important, findings about the effects of hormone-like chemicals on wildlife make one think that the so-called endocrine disruptors may be important factors affecting sperm production.

Questions have been asked about semen quality as sperm counts fall; there is international agreement on that point—about 20 per cent. of our population have so-called low sperm counts. If they want further details, I recommend that hon. Members read a good document produced this year by the Parliamentary Office of Science and Technology on hormone-mimicking chemicals.

What of the treatments that are now available? The media have recently been awash with reports on the miracle drug Viagra, which is crudely called, in that all-American way, the "Pfizer-riser" and which is exciting males across America to the extent that 40,000 prescriptions are issued every day and it has almost become a recreational drug. It is given for what we in the business call erectile dysfunction. Whether it will come

to this country and how it does so remains to be seen. There are also surgical methods, but few studies have been made of microsurgical techniques to loosen duct abnormalities, and little has been happening on what should be an exciting front.

Other exciting treatments are becoming available, including intra-uterine insemination, which has its problems, as hon. Members have pointed out; in vitro fertilisation, which has changed our whole concept of male infertility; donor insemination; and intra-cytoplasmic injection, the ICSI method, which is relatively new. Human need has been so desperate that people have been prepared to accept the latter treatment before full scientific tests have been carried out. That is part of the problem. Many babies have been born by that method, whereby a single sperm is delicately and skilfully put into an egg cell and, although few people have the necessary skill to do that, the technique is being developed throughout this country. Men can now father children by that technique, and success rates are high at Bourn Hall clinic in Cambridgeshire and at the Hammersmith hospital under a distinguished member of another place.

Centres are licensed according to ethical compliance and not treatment efficiency, so couples might be squandering both resources and their chance of parenthood in having to seek treatment in the private sector for about £2,000 per session; only the most affluent in our society can afford to do that. However, ICSI treatment means that 35 per cent. of infertile males get a viable pregnancy in a single cycle, which is better than the IVF record at this stage. It is a remarkable development and a success story in male infertility. Problems may yet be encountered with ICSI, and further studies are being carried out, but the babies born so far by the technology have no higher incidence of any detectable abnormality than the general population of babies born after in vitro fertilisation or natural events.

Since the introduction of the internal market, funding for infertility treatment has almost dried up, as purchasers tend to classify it alongside cosmetic surgery and the removal of tattoos. For many people, however, infertility is a dominating cloud over their lives and a source of marriage break-up. One patient I know in Norwich, who is now sterile, had his viable sperm stored before the introduction of the internal market in a BUPA hospital under NHS funding arrangements. He is unable to use that sperm, because there is now no NHS funding available for him to purchase it, so he has no access to his own genetic material.

Furthermore, for a long time now, no NHS funding has gone into infertility research, where there is much work to be done. Science will be able to overcome many of the problems with some of the techniques I mentioned, as long as the Government continue to fund the NHS and ensure that the internal market does not create an unequal distribution of resources.

11.53 am

Dr. Lynne Jones (Birmingham, Selly Oak): I am pleased that the hon. Member for Meriden (Mrs. Spelman) succeeded in obtaining this debate. Despite the fact that one in six couples will require some form of assistance to have a child, there seems to be little public sympathy for such people. One wonders why that is so, and one hopes that the debate will help to redress the balance.

Recently, Fay Weldon described women without children as:

"These barren twigs on the tree of life, this stunted growth."

She gave the impression that women were to blame for their failure to bear children. I am the mother of two children and was able to conceive when I and my husband decided that we wished to start a family, so I have no personal experience of infertility to contribute to the debate. However, I have encountered couples whose lives are completely dominated by their failure to have a much-wanted child and, like my hon. Friend the Member for Norwich, North (Dr. Gibson), I realise what a devastating impact infertility can have on their lives and their health.

Why are the public so unsympathetic? A survey carried out by my local health authority revealed that there was little public support for funding for fertility treatment. Perhaps some of the publicity given to certain women who have received fertility treatment is partly to blame, but the fact remains that the majority of people who seek this form of medical intervention are from stable backgrounds—couples who have been together for some time and who want to start a family.

The other aspect of the lack of sympathy may be that there is such a stigma attached to the inability of a woman to conceive or of a man to father a child that the subject is not talked about much. Perhaps this debate will help to get people talking. It is excellent that two women Members of Parliament have spoken publicly about their own experiences; the more people are able to discuss the issues, the more public support will be generated. Whether or not there is public support, it is wrong that the availability of treatment varies according to the area in which one lives or whether one can afford to pay. I hope that, in her reply, my hon. Friend the Minister will give some hope that we will start to develop national guidelines for a comprehensive service in future.

In Birmingham today, a meeting is taking place between the health authority and the clinical directors of the relevant trusts to consider how to improve the service in Birmingham. At present, only £50,000 a year is allocated, which is about one tenth of what is needed. That leads to grave difficulty in deciding who should receive treatment and to enormous waiting lists. That is clearly unsatisfactory, so the health authority is looking at other services it provides. Many general gynaecological services relate to infertility and, if clearer protocols were drawn up in respect of access to such services, we might be able to release money for the provision of infertility services. There is also the question of where services are provided and the need to set up tertiary centres which, when funding becomes available, will be able to offer good prospects of success with staff who have the necessary experience to provide treatment.

I join other hon. Members in calling on the Government to look seriously at the problems relating to infertility treatment. If we are to have a genuinely national health service, as opposed to a national illness service, we should be providing national guidelines for a comprehensive sub-fertility service in this country.

11.59 am

Fiona Mactaggart (Slough): I reflected for some time before contributing to the debate, partly for some of the reasons mentioned by my hon. Friend the Member for

[Fiona Mactaggart]

Birmingham, Selly Oak (Dr. Jones) such as the public view of infertility and the hostility of which infertile people are often victims. As a single infertile woman, I thought that perhaps I should not speak in the debate, using my experience of private fertility services. Like probably all single women in this country, I was unable to gain access to NHS fertility services, and I want to look at the quality of the services and whether things can be done to improve fertility services for all people in Britain.

This is an important issue because of the effect that sub-fertility can have on people's lives. It creates a feeling of powerlessness and confusion. It is connected to the Darwinian requirement to reproduce, which means that fertility is closely connected to one's identity. That is the main reason why, in so many people, sub-fertility leads to depressive illness and, consequently, high expense for the NHS.

It is wise and sensible for us to provide for that health obligation. It is clear that, at present, the health service is not doing that; it is failing in a number of ways. In many parts of the country, fertility treatment is absolutely inaccessible. Some time before I was elected, I attended a Berkshire health authority meeting considering the range of treatments not normally approved of by the health authority. I vividly remember speaking to a clinician who said that, in many cases, he felt that the health authority's decisions were wise because the treatments being excluded from funding were ineffectual. However, he felt strongly that it was wrong to exclude fertility treatment from funding, particularly IVF, because it is an increasingly effective clinical measure, as the hon. Member for Meriden (Mrs. Spelman) pointed out.

Another important issue is the provision of information. Many women feel that attempting to find out about treatment makes their situation and their confusion greater. Doctors are often not well informed, and women often have to undergo long, tortuous and confusing investigations, some of which are not particularly necessary and some of which are inefficient. After all that, they may find, as I did, that they have reached the end of road and that the NHS will no longer provide treatment. They then go through what can only be compared to trying to read the form of race horses by trying to work out which private clinic—if they can afford it—is the most appropriate.

My hon. Friend the Member for Northampton, North (Ms Keeble) described a much more efficient sounding approach than that which I experienced, but it is confusing and difficult. It is necessary to look under the statistics such as those quoted by the hon. Member for Meriden. Some centres where the statistics are not so good may take older women. It is difficult for the ordinary person seeking treatment to know what to do. There are failures in the quality of information across public and private provision. The health service should look at that.

The health service needs to provide better support for families to help them deal with the experience of treatment, which can be devastating for those involved. They need help to gain access to the most effective treatment. That is the responsibility of the Government. The Government should be centring treatment on the places where it works rather than adopting a scattergun approach, allowing people to carry out the treatment even if they are not excellent at it. It is a relatively expensive provision and we have a responsibility to ensure that it is effective. It is no help to infertile couples to give them access to nearby treatment if it is ineffective. That must be a priority.

The Government need to deal with the issue of who should have access to treatment. It is not appropriate to leave it to individual doctors. However, sometimes the confusion created by individual doctors helps us to get through the moral decisions that we like to avoid taking. That is one of the reasons why Governments, health authorities and so on duck aspects of such decisions. We must take responsibility for that—it is our job. There should be a public debate about who should be eligible.

It is my view that there are cases where people who are not in standard relationships or stable marriages should be eligible for such treatment. Whatever view we reach, it should be debated publicly so that people know at the beginning of the heartache whether they have any chance of obtaining treatment or whether—to add to the horse racing analogy—they are betting on a blind horse and will not obtain treatment because of their age or their relationship.

There are other things the Government can do to help those who are sub-fertile. One of the things we are already doing, and which I welcome, is improving access to child care and introducing family-friendly employment policies, which make it more likely that women will try to have children at a younger age. I believe that one of the reasons for the fertility crisis is that women are having children later, and that is partly because of the structure of the labour market. If we can make it possible for women to start their families earlier, some of these problems may not arise.

My hon. Friend the Member for Norwich, North (Dr. Gibson) referred to the importance of tackling environmental policies which have an impact on fertility. The Government should be aware of that. I believe that improved sex education and sexual health among young people can help them to avoid conditions that can affect their fertility. In all those ways, there is a responsibility—it is a difficult responsibility to deal with well—for the Government to seek to improve the quality of fertility provision. We are failing women and men around the country and, as a community, we are paying the price of that failure in their depressive illnesses.

As the technology and quality of care improve, we have an opportunity to make a difference to such people's lives. We can give more couples access to treatment and improve the quality of it. We can ensure that people are informed about and supported through treatment when they can get it.

12.8 pm

Mr. Patrick Nicholls (Teignbridge): If anybody had any lingering doubts about whether the reform that led to Wednesday morning debates would be worth while, they had only to listen to the standard of contributions to this debate. I am only sorry that time does not allow me to do justice to the eight excellent contributions we have heard. I thought that the contribution of the hon. Member for Slough (Fiona Mactaggart) was remarkable and I commend her for it.

I add my compliments to my hon. Friend the Member for Meriden (Mrs. Spelman) for having introduced this debate. When I was preparing my notes last night,

I realised that I should commend her not only for the choice of subject but for her courage in introducing a topic for an hour-and-a-half debate when it could be debated endlessly.

The subject raises a number of implications. My hon. Friend the Member for Meriden touched on some of the moral and ethical implications surrounding it; to have taken that on is remarkable. She gave due tribute to all attitudes and views without causing offence. If I achieve that, I shall have done well.

I shall concentrate my remarks on the way in which services are provided throughout the country and what might be taken into account if provision were to be made universal. The first problem is that there is no universal application, no universal guidelines and no rules or regulations. After making a proper assessment, health authorities purchase the services that they believe are necessary for looking after the health needs of the local population. That gives rise to substantial inconsistencies throughout the country, and, inevitably in such a system, there are disputes about treatments—I do not say that pejoratively, but use shorthand—that might be considered to be on the fringe.

A number of hon. Members referred to those disparities, which were summed up in a 1995 report by the National Association of Health Authorities and Trusts. It included a case study on in vitro fertilisation treatment: five authorities were not purchasing IVF, while others offered a limited service based on factors such as age, whether there was a child from a previous relationship, and how successful treatment was likely to be. The situation has worsened since then.

It may be helpful to discuss the attitude of two health authorities, not to criticise them, but because the criteria that they have adopted will resonate with hon. Members who have spoken. In May 1997, *The Independent* reported:

"The Birmingham Health Authority is proposing to stop assisted-conception treatment on the NHS unless there are exceptional . . . circumstances . . .

The plan . . . would mean that most childless couples in the area would have to seek help from private organisations".

It added that the director of health

"will present a paper . . . recommending that the authority backs the recent survey which concluded that routine NHS funding of fertility treatment should cease. Most people interviewed for the survey said cancer treatment should be well-funded and saw assisted-conception services as having the lowest priority."

A report published in March 1997 discussed North Wales health authority's decision that, from 1 April, women aged 36 and over in north Wales would not be referred for treatment and no treatment would be given to women aged 39 or over. It laid down other criteria, stating:

"Only heterosexual couples who can prove they have been in a stable relationship together for at least two years will be considered and there must be no living children from their relationship."

It also discussed the number of cycles of treatment for people who met the criteria.

One can always challenge a health authority's judgment in those matters by using the NHS complaints procedure, but a health authority that has reached decisions on criteria that are intelligently arrived at, even if not accepted by everyone, could not be said to be in breach of its obligations. The Minister will correct me if I am wrong, but I cannot recall any case, and my researchers have not discovered one, in which a health authority was successfully appealed against because of the way in which it restricts provision of infertility and IVF treatments. We are dealing with an inconsistent patchwork, which, given the way in which health services are developed locally, is inevitable.

What reasons are traditionally—I use that word deliberately—given by local health authorities for not producing this treatment? Some may say, "This is not an illness; it is a treatment." The hon. Member for Birmingham, Selly Oak (Dr. Jones), in a phrase that I shall use on other occasions without attribution so that I can take the credit for it, talked about having a national health service, not a national illness service. On whatever criteria are used, these services fall within a national health service. My hon. Friend the Member for Meriden talked about silent pain, which is a poignant phrase. No one reaches my age without friends and relatives going through that. The pain may be silent in public, but the anguish that it causes is dramatic.

Traditionally, it is said that the treatment is not very successful. One statistic, which tells only half the story, appears in a report by the Human Fertilisation and Embryology Agency that published birth rates for individual IVF clinics. In 1995-96, 15.1 per cent. of treatment cycles in the United Kingdom resulted in at least one live birth. Taking a superficial view, as people have done in the past, one might say that a health authority should not spend too much money on a process with an 85 per cent. failure record.

I was speaking to an eminent obstetrician last night to prepare for the debate, however, and he said that techniques are improving rapidly. My hon. Friend the Member for South Cambridgeshire (Mr. Lansley) has made the same point. In France, IVF treatments' take-home baby rate success factor—I do not know how the phrase goes in French, but it translates neatly into English—means that artificially replicating the number of treatments per cycle given to people going about these things in a more orthodox way gives a take-home baby rate similar to that achieved by natural process. That has clear implications, not only for what health authorities should do, but for what the Government should do.

The hon. Members for Isle of Wight (Dr. Brand) and for Selly Oak were correct to say that if we are to produce criteria, they should be political. We cannot ask doctors to decide whether treatment for people who are not in a stable relationship, who have been in a relationship for only a year or who are not part of a heterosexual couple, is a clinical need. Such decisions must be taken by politicians, not by clinicians. Uncomfortable judgments will have to be made. Rationing is accepted by hon. Members on both sides of the House, so in an age when resources are finite there will be inevitable difficulty about whether to put more money into cancer treatment or into fertility treatment.

Criteria should be laid down. I am not by nature a centrist, but it is difficult to envisage how that could be done other than centrally, by Her Majesty's Government. Hon. Members have talked about consistency of criteria and equality of access, but that cannot be provided locally. What criteria should be used? What is the relevance of age? Should the state fund techniques for women long past child-bearing age? What is the significance of the fact that couples may

[Mr. Patrick Nicholls]

have children? Is there significance—I put it as neutrally as that—in a person seeking the reversal of an NHS vasectomy or sterilisation? What is the significance of a person being in a heterosexual relationship?

Polling evidence has been mentioned. The hon. Members for Selly Oak and for Slough talked about their incomprehension that the public could be so uncaring as to think that whether people have children is just one of those things. One opinion poll went the other way and said that 68 per cent. of people believed that IVF should be available on the NHS. I wonder whether they were asked how they would square that with other forms of treatment being unavailable.

The Government have to come to a decision. Had the Under-Secretary of State for Health, the hon. Member for Brent, South (Mr. Boateng), been replying to the debate, he would have had a couple of phrases ready. He says that he does not want to be lectured by Conservative Members. I shall not lecture the Minister: that may be necessary on other occasions, but it is unnecessary today. I commend her on her written answer of 19 January, which summed up the inherent contradictions. She said:

"We will challenge and address variations which are not based on the health needs and wishes of local people. We will aim for maximum consistency while still allowing appropriate local and individual responsiveness."

I do not want to be critical: I just want to share a problem with her. Are those two statements logically consistent? Can that be done?

I am delighted that the Minister is replying to the debate, because she is the ideal person to deal with this subject. The current weight of opinion is for the matter to be addressed centrally. In her written answer, she said:

"We are currently considering what further advice the NHS should be given on infertility service provision."—[*Official Report*, 19 January 1998; Vol. 304, c. 394.]

That advice must be generated centrally and measured against criteria that we can debate. We shall doubtless agree on some issues and disagree on others, but I should be delighted to hear what the hon. Lady has to say about the matter.

12.20 pm

The Minister for Public Health (Ms Tessa Jowell): I pay tribute to the hon. Member for Meriden (Mrs. Spelman) for securing this debate, and I commend the speeches that we have heard from both sides of the House on one of the most difficult issues facing the national health service. The concerns raised fall broadly into three areas.

First, it is important to tackle the present unacceptable geographical lottery in access to treatment by developing a coherent national framework that is predicated on fair access.

Secondly, we should ensure that the national health service has the capacity to keep pace with the rapid technological advances in fertility treatment. It is worth remembering that Louise Brown, the first test-tube baby, was born in 1978. I doubt whether any of us who can remember that time and the celebration that surrounded her birth would have predicted the innovations in infertility treatment that have taken place in the intervening 20 years. We have every expectation that that pace of innovation and development will continue.

It is critical that new treatments, as they become available, are based on clear evidence of their proven effectiveness. Hardly an area of medicine and health care touches more raw nerves than treatment for infertility. That redoubles our obligation to ensure that the treatments that are available have been proved effective.

Thirdly, there is understandable concern about ethical issues. Medical technology is taking us into areas of great ethical uncertainty. I entirely agree with all those who have underlined the importance of ensuring that the ethical framework for protecting decency and the integrity of human rights are respected as we move fast to keep pace with new advances.

Those are the three strands of the case that has been developed in the debate. I shall briefly add to the good evidence that has been provided of the extent of the variation and inconsistencies in access to infertility services. The number of IVF treatments per 100,000 of the population varies. It ranges from just over 19 per 100,000 in the north-west region to 3.5 in the west midlands, with considerable variations in between. There are wide variations in the financial arrangements made by health authorities that provide IVF treatment. About 40 health authorities have specific contracts for IVF, but others offer the treatment within a block contract for general gynaecological services.

The upper age limit for women to have access to IVF also varies. In Scotland, the upper limit is 43, but it is as low as 34 in Leeds. We are determined to deal with the unacceptable variations in access to services, and to build a national health service that provides fair access to clinically effective services, including infertility services, where people live.

We shall redouble our efforts to tackle health inequality caused by uneven provision of services and the inequalities of those who suffer from poor health. That is central to our mission to rebuild the national health service. Tackling inconsistency is at the top of our list. The NHS White Paper is explicit in its commitment

"to recognise that the NHS contribution must begin by offering fair access to health services in relation to people's needs, irrespective of geography, class, ethnicity, age or sex."

We intend to achieve that aim through the development of a national performance framework. We want to ensure national consistency through new service frameworks as a guarantee of quality and access for patients. We intend to establish a national institute for clinical excellence to ensure that services are based on the best evidence of clinical and cost-effectiveness. We shall also review the arrangements for assessing the cost-effectiveness of new technologies, including drugs, and for encouraging their appropriate use. The new national arrangements will be linked to guidelines to inform local decision making. Equity will be at the heart of our policies.

The hon. Member for Teignbridge (Mr. Nicholls) referred to my written answer. We are trying to provide a rational framework, but it will clearly take time. However, I can announce today that, as one of the first steps in tackling inequality in this area, we have commissioned the Royal College of Obstetricians and Gynaecologists to prepare clinical guidelines on the initial investigation and management of infertile couples in primary care services;

the management of infertility within local specialist services; and the provision of specialist and high-tech services. We expect the first two sets of clinical guidelines to be published in the summer and later this year, and the guidelines on specialist and high-tech services to be published in 1999. That will provide an important framework to deal with some of the inconsistencies in practice and the doubts about the clinical effectiveness of some of the current treatments.

I endorse the comments of hon. Members who expressed concern about the pressing demand for and the effectiveness of infertility treatment. The desire to have a baby at all costs, literally as well as figuratively, drives couples who may have had limited NHS treatment to spend enormous sums of money on private treatment, which is often not effective. A proper assessment would show that such treatment would never be effective in some cases. It is the stuff of heartbreak, and we want to provide a framework that provides some protection.

Let me deal briefly with four issues that underline the importance of an ethical framework. Ruth Deech, who chairs the Human Fertilisation and Embryology Authority, is preparing a robust rebuttal of the article in *The Sunday Times*, which was grossly misleading, and, as the hon. Member for Meriden rightly said, disturbing. Let me reiterate our concern about cloning.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. We must move to the next debate.

Affordable Housing (London)

12.30 pm

Mr. Jim Fitzpatrick (Poplar and Canning Town): I am grateful for the opportunity to raise the subject of the lack of affordable housing in London. The debate is timely, as Londoners will have the opportunity to vote yes to a mayor and an assembly in tomorrow's referendum. I am sure that a yes vote will help to tackle many other pan-London problems.

The lack of affordable housing in the capital is widely recognised. My constituency straddles the boroughs of Tower Hamlets and Newham. Despite far-sighted schemes in those boroughs, there is still a chronic lack of affordable social housing. According to the Association of London Government, about 75,000 households in London suffer from overcrowding. The housing that does exist is too expensive, and Shelter calculates that average council rents in London are 32 per cent. higher than the average for England. Not surprisingly, the private rented market has not provided a solution. Private sector rents are more than twice as high in London as in England as a whole.

The future does not look bright. The London Research Centre has estimated that accommodation for 26,000 extra households will be needed in London between 1991 and 2011, but only about 16,000 units are likely to be built. In short, the supply of all housing, particularly affordable housing, in London falls far below demand.

Let me list the major obstacles to affordable housing in London. First, there is the cost of land in London. Property developers currently consider east London a gold mine. Not only are house prices rising rapidly, but the price of land that has not already been built on is rising equally fast. Alas, the new developments are not, by and large, social housing. The phenomenon of luxury apartments and exclusive developments has become common to east Londoners.

Our election pledge to ensure a phased release of housing receipts will, of course, make a difference, but it is by no means the whole answer. Estate renewal challenge fund money has made a valuable difference in my constituency, and Tower Hamlets has developed HARCA—the Housing and Regeneration Community Association—as a stand-alone housing company. I know that the Minister for London and Construction is more than familiar with that concept, as he is widely credited with promoting such schemes throughout the United Kingdom. Tenant involvement, money for community activities and extra investment in housing stock are all welcome.

The recent statement by the Secretary of State for the Environment, Transport and the Regions on developments on brown-field sites was also welcome. However, many of those sites are heavily polluted. Locke's wharf, on the Isle of Dogs in my constituency, is a prime example. If such sites are to be developed safely, the cost of development will inevitably be raised.

There are those who say that the Government cannot, or even should not, try to intervene. I do not believe that to be just or right. An estimated 45,000 people are homeless in London, living in hostels, squats, bed-and-breakfast accommodation and short-term accommodation. That is in addition to the scandal that about 1,000 people sleep rough on the streets.

[Mr. Jim Fitzpatrick]

For many, social housing can be the first step on the ladder to employment. It takes people off the streets, and gives them an address so that they can apply for jobs. It would be wrong in a debate such as this not to mention *The Big Issue*, and not to commend all those involved—especially the vendors—for their work with and for the homeless.

For people with children, social housing provides stability. It gives children a chance to attend school regularly, and provides them with somewhere to do their homework. If we are serious about tackling social exclusion, we must be serious about tackling the lack of affordable housing in London.

As well as housing provided by the local authorities and HARCA in Tower Hamlets and Newham, there are co-operatives and housing associations which are trying to meet needs, but failing because we have a chronic problem. At the end of 1997, in Tower Hamlets alone, 2,868 families were on the borough's waiting list for properties with four or more bedrooms. Of those, 212 had urgent medical priority, 250 had medical priority A, nearly 230 had priority B and more than 200 had priority C. However, the council has only about 120 such properties a year. Teenage girls have to share rooms, and sometimes beds, with their fathers and older brothers. At the end of the 20th century, in the capital of the United Kingdom, that is intolerable.

The Association of London Government has calculated that 100,000 additional affordable family homes are needed to meet the current shortfall in the capital. There are many exciting initiatives, such as the Solartown and Silvertown project, which is promoted by Greenpeace and the Peabody trust. That landmark project has doubled the number of solar-powered homes in Britain, and it is the first solar housing project in London. However, although Solartown is worthy, and should be copied, the problem will not be solved by such small projects. We need a national drive to ensure that the homes that our people need are built, and provided at a cost that people can afford.

I know that my hon. Friend the Minister has a special interest and expertise in housing, which he has developed over many years. He commands great respect from housing professionals, and I look forward to hearing what he has to say on the issues that I have raised.

12.36 pm

Ms Karen Buck (Regent's Park and Kensington, North): I am grateful to my hon. Friends the Member for Poplar and Canning Town (Mr. Fitzpatrick) and the Minister for allowing me some time in this debate. I am keen to speak on the principle that affordable housing is one of the central strands in a strategy to tackle social exclusion. Given that we are right to tackle the "ghettoising" of poor families on the worst estates, we must also deal with the distribution of low-cost housing in all parts of the city. There can be no no-go areas for low-income families.

We shall not have the opportunity today to deal in depth with several practicalities, although my hon. Friend has touched on some. To create an effective strategy for affordable housing would mean bringing together the issues of planning, housing finance, housing benefit and parking, along with many others. I hope that we shall have another opportunity to consider some of them in more detail.

Mr. Andrew Dismore (Hendon): Does my hon. Friend agree that much could be done by way of section 106 agreements when private developers apply for planning permission? For example, my local authority—Barnet—has negotiated for 17 of the 60 homes being built by John Laing in the Page street development in my constituency to be rented through the Paddington Churches housing association. Is that the sort of thing that my hon. Friend has in mind when she mentions planning?

Ms Buck: I entirely agree, and my hon. Friend is right to commend his local authority. I shall a mention a couple of similar issues later.

Before I reach the core of what I want to say in the few minutes available, I want to pay two quick tributes. First, the London Pride partnership produced an excellent report earlier this year on affordable housing in London. It set out several of the issues with which government, the local authorities and the London assembly and mayor—for which we hope to win approval tomorrow—must deal. I also pay tribute to CHICL—Communities and Homes in Central London. I was fortunate enough to address its annual general meeting a couple of weeks ago. It has a proud record of campaigning with and for residents' organisations throughout central London in the face of the development pressures that my hon. Friend the Member for Poplar and Canning Town has talked about.

I, CHICL and many other organisations are proud of, and welcome, the Government's early support for affordable housing through both the release of capital receipts, which has made a welcome contribution to affordable housing development, and the recent issue of circular 6/98, which underpins the emphasis on brown-field sites for housing development by stressing local authorities' opportunities to negotiate affordable housing in developments. However, there are many formidable problems in achieving the outcomes that circular 6/98 rightly emphasises.

My hon. Friend mentioned the pressure on land prices. That is a problem throughout London. He rightly drew attention to east London, but in central London the problem is absolutely critical. It is being exacerbated daily by London's importance as a global city, with international and corporate money flooding into the centre of London, squeezing out private tenure in particular and putting great pressure on private housing development for purchase.

At the CHICL AGM, I was interested to hear from a leading property consultant that the average house price for purchase in central London is now £370,000, which makes a mockery of the ability of people on lower incomes to purchase, but the most important reason for welcoming today's debate is a local one. The constituency that I represent, which spans part of Westminster and of Kensington, is at the sharp end of the pressure on home prices and of much housing need.

Westminster, on which I shall concentrate, commissioned a housing needs study last year, which showed that 12,095 households, or 12.5 per cent. of the total population, were living in unsuitable housing. Of those, 3,320 people were in priority need. Over half of

the households—54 per cent.—earned less than £10,000 a year. Only just over 10 per cent. would be able to access property on market rents.

I know from my case load—I am sure that the right hon. Member for Cities of London and Westminster (Mr. Brooke), whom I am pleased to see here, will know this from his—just how intense is the pressure on housing need. Despite that pressure—some would say because of it—Westminster council has, over the past decade, been embroiled in political controversy over affordable housing. The homes-for-votes scandal, which ended in the High Court before Christmas, was about affordable homes: who gets what and who goes where.

Mr. Dismore: May I suggest that my hon. Friend contrasts Westminster council's record in failing to provide affordable housing with my local authority of Barnet, which is under Labour control and which, in Mill Hill, negotiated two years ago, with the Ministry of Defence and Notting Hill housing trust, the purchase of 96 homes for rent? The council has just completed a further deal with Annington Homes in the same estate, which is ex-MOD property, for a further 48 homes, which are now empty and available for rent. Is that not a much better contrast: Labour providing affordable homes and Conservatives failing to do so?

Ms Buck: Again, I agree entirely with my hon. Friend. I shall drive that contrast home in the couple of minutes remaining to me.

City hall has learnt little from either last year's change of Government or the homes-for-votes ruling in the High Court. Current thinking continues to undermine attempts to secure a proper mix of affordable housing throughout the city. I have two concerns that I wish quickly to flag up: who benefits from affordable housing, or the definition of affordability, and where the affordable housing goes.

On who benefits, the council continues to undermine the desperate need for affordable housing, which is confirmed by its own study, by debating whether affordable housing provision should be accessible to households on incomes of between £29,000 and £50,000 per year as opposed to low-income households—the 54 per cent. who have an income of less than £10,000 a year—and how much priority should be given to the needs of local residents over the needs of commuters.

The second issue relates to the provision of homes on site in developments versus the acceptance of commutable sums. I welcome the new circular's emphasis on on-site provision, but, in practice, I am deeply concerned about what is going on, especially given the council's record over the past decade. In the past couple of years, the council has built up a fund of more than £3 million in commutable sums, mostly from developments in the south and centre of the city: Westminster hospital, ITN house in the west end and Beynards house in Bayswater are just three examples.

Meanwhile, affordable housing is being concentrated increasingly in deprived and highly pressurised wards in the north of the city: for example, there are 1,000 bed spaces of housing association property in north Paddington and off the Harrow road. An excellent contrast is drawn by the case of Clarendon court, of which I know the Minister is aware. That contained homes in multiple occupation. I was actively involved in the matter a couple of years ago. It was a cockroach-infested slum which was home to more than 200 people, with fewer than six kitchens available to them. It was located in a marginal ward in Westminster.

I was pleased that that HMO was closed and that people were relocated from it, but the development under consideration is to convert that building into 100 executive homes with on-site parking. It is no surprise that it is in a marginal ward, or that the council is considering accepting a commutable sum for the Clarendon court development, which will be spent again, I expect, in deprived and pressured wards in the north, which are already highly over-concentrated with council and housing association property.

Worse still, in terms of scale, are the plans for the development of the Paddington basin and goods yard. The council is in danger of sacrificing the best opportunity this decade to secure a decent proportion of affordable housing in that part of central London. Last week, Westminster's town planning sub-committee gave outline, "in principle" approval to schemes that contain no on-site provision and a commutable sum that is £1 million less than is consistent even with the council's guidelines. Paddington Basins Development Ltd., with Rialto Homes Ltd. and Frogmore Estates, have been given the thumbs up to a scheme that enables them to avoid any on-site housing in the first phase of the development, in exchange for an unenforceable statement of intent about the provision of affordable housing in stage 2.

Even in the event of that going ahead, the scale of provision is wholly inadequate for what is needed. Incidentally, many other concerns about the development of the Paddington special policy area, which runs along the southern border of my constituency, are increasingly being voiced by individuals and community groups in my constituency, ranging from design, to density to car-parking provision, to which we will have to return.

Frankly, for Westminster city council to be making decisions on affordable housing provision in the week that circular 6/98 was published shows little more than contempt for the Government's position on affordable housing. I know that the Minister can say nothing about the specifics of the case this morning, but I wanted the opportunity to put on the record the grave concerns that I, some of my colleagues in Westminster, and resident and community organisations in the north of the borough have about the potential loss of opportunity for affordable housing, even though the developments that I have spoken about provide many opportunities.

I should welcome it if the Minister took this opportunity to drive home the Government's message on the need for local authorities to secure the full proportion of affordable housing and to stress the importance of on-site provision, wherever possible. If we do not manage to achieve that or a balance throughout the range of housing provision, the worst estates, the ghettos of the poor, will continue to face on the other side of the road the gated communities of the rich. We shall all pay the price for that.

12.48 pm

The Minister for London and Construction (Mr. Nick Raynsford): I congratulate my hon. Friend the Member for Poplar and Canning Town

[Mr. Nick Raynsford]

(Mr. Fitzpatrick) on securing this debate on the important subject of affordable housing in London. He made a powerful speech, highlighting the scale and range of problems and I thank him for his kind remarks about my involvement in the subject. I also congratulate my hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck) who, like my hon. Friend the Member for Poplar and Canning Town, has taken a keen interest in housing in the year since she was elected to represent her constituents. Both have done a real service by highlighting the scale of housing problems that still afflict too many people in our capital city. I welcome the fact that many other hon. Members, in particular several of my hon. Friends, have come to show their concern.

Housing in London has very special characteristics that mark it out from housing in the rest of the country. London contains 16 of the 22 most deprived local authorities in England and has two thirds of the most deprived housing estates. Furthermore, over one third of England's stock of flats and maisonettes is in London. London also accounts for over 40 per cent. of England's high-rise housing—which is housing of 10 storeys or more. If medium-rise properties—housing with more than four storeys—are included, the figure rises to over 60 per cent. London has the largest social rented sector of any of the English regions, and 18 per cent. of all those in England who live in the local authority sector live in London.

The Government have a key role to play in helping to meet London's housing needs. We invest heavily in the social rented sector through the housing investment programme—which this year will provide £162 million for local authorities, with a further £33 million to be invested in private sector renewal. Additionally, the Housing Corporation invests £307 million in the housing association sector through the approved development programme. Taken together, investment this year involves a total of about £0.5 billion.

The Government realise that that investment is not nearly enough to address the backlog of repairs and maintenance that has accrued over the past 18 years, which London local authorities estimate to be £5 billion, mostly in inner London.

Mr. Dismore: My hon. Friend is specifically addressing housing issues in inner London. Is there not also a substantial problem in providing affordable housing in outer London constituencies, such as mine and that represented by my hon. Friend the Member for Harrow, East (Mr. McNulty)? Is not one option in dealing with the problem to form partnerships—such as that in Claremont road, in Barnet, where the local authority, working with Fairview builders and the Network housing association, has produced a mixed development providing 110 affordable rental housing units, a nursing home and a community centre?

Mr. Raynsford: I take entirely on board my hon. Friend's comments on the extent of housing needs in areas of outer London, such as Barnet, where he has been working assiduously to tackle those needs, to help his constituents secure better housing.

Last year, faced with those problems in London, the Government acted quickly to implement our manifesto commitment to provide additional resources for housing and housing-related regeneration under the capital receipts initiative. In this financial year, London authorities will receive £167 million through the capital receipts initiative. We realised that many of the local authorities with the greatest need to invest in their housing stock had relatively low levels of receipts set aside. We therefore established a system to redistribute receipts as credit approvals to authorities—using as a basis two thirds of need, and one third of historic receipts set aside from, for example, right-to-buy sales.

The inner London boroughs—those traditionally with the greatest need, but with relatively small receipts—gain considerably from that system. Inner London accounts for about 6 per cent. of the country's housing, but, this year, is receiving about 17 per cent. of the national allocation of capital receipts.

We expect individual local authorities to identify their own local priorities in applying extra spending power. However, many London authorities—once they have dealt with their immediate need to spend on their own stock—will turn their attention to new social housing provision by working in partnership with registered social landlords. This year, London authorities expect to spend about 18 per cent. of the available resources from capital receipts on such provision.

I have mentioned the need for improvement in the private sector, where many people live in poor conditions. Many elderly people—of whom there are a large number in outer London areas, such as those mentioned by my hon. Friend the Member for Hendon (Mr. Dismore)—live in houses that they own outright, but do not have the means to maintain them. A grant under part I of the Housing Grants, Construction and Regeneration Act 1996 towards the cost of repairs, improvements or adaptations to their home may enable such elderly people to stay in their home.

Discretionary house renovation grants may be given for major repairs or improvements, and disabled facilities grants for adaptations may enable disabled people to continue living in their homes. Home repair assistance may be given for more minor works of repair or improvement. All those grants can help to solve housing problems.

Housing must not be considered in isolation. Housing issues are closely interwoven with the other social issues of our day—such as welfare dependency, unemployment, poor education and crime. It is a matter not only of providing a roof over people's heads, but of working in an holistic manner to ensure that we find effective solutions to a range of problems. Housing is an integral part of the Government's broader agenda in tackling disadvantage and giving people a decent quality of life. It is about building community pride, by giving people opportunities and some influence and control over their daily lives.

Our housing agenda lies behind the Prime Minister's decision to establish a special unit in the Cabinet Office to secure concerted Government action to tackle social exclusion. It is no coincidence that one of the unit's top priorities is to deal with the problem of housing estates suffering from multiple deprivation and problems including crime, drug abuse, unemployment, community breakdown, poor schooling, low expectations and low attainment levels. The unit is due shortly to report on those issues and on rough sleeping—which is another issue of particular concern to London.

London has more than its fair share of housing problems, but it also has a wealth of experience in promoting anti-exclusion schemes through a range of programmes, including the single regeneration budget. We are pooling the knowledge, experience and ideas of those involved to provide a strong London input to the work of the social exclusion unit, which I hope will make an effective and lasting input in dealing with the problems of social exclusion.

As my hon. Friend the Member for Regent's Park and Kensington, North said, planning policies have a significant role to play in housing. The Government's current policy on planning and affordable housing encourages private builders to help meet affordable housing requirements by providing a mix of housing types in their proposals. Planning policy guidance note 3 encourages local planning authorities to seek an element of affordable housing in significant new housing developments.

We have recently issued circular 6/98, to replace circular 13/96 and to clarify how the delivery of affordable housing may be assisted through negotiation with developers. The main change introduced in the circular lowers the size thresholds above which local planning authorities may seek the inclusion of affordable housing. Those have generally been lowered from 40 dwellings and 1.5 hectare to 25 dwellings and 1 hectare, irrespective of the number of dwellings. In inner London, the size thresholds have been reduced from 25 dwellings and 1 hectare to 15 dwellings and 0.5 of a hectare, irrespective of the number of dwellings.

The revised arrangements also provide, in exceptional circumstances, for local authorities in outer London to seek to adopt a lower threshold, through the local planning process. The arrangements will help further to increase the supply of affordable housing delivered through planning policy.

The circular is intended to provide a clearer framework and to help local authorities adopt more realistic and consistent approaches in preparing planning policies and handling applications involving affordable housing. It is also intended to encourage a more co-operative approach in preparing planning policies, to ensure that the views of all those involved in housing delivery—including providers and enablers—are taken into account.

When a local planning authority is able to demonstrate a lack of affordable housing, based on a robust assessment of local housing needs, it is advised to include a policy in the plan for seeking affordable housing. Such policies should define what the authority considers to be affordable, having regard to local income levels and house prices. I specifically note the comments on local income levels and house prices in Westminster made by my hon. Friend the Member for Regent's Park and Kensington, North.

The assessment of need should also provide the justification for local authorities to estimate a specified proportion of affordable housing for suitable sites that might become available. Such an approach will more accurately establish the amount of affordable homes needed, and enable housing and planning policies to focus on the particular problems and opportunities in a local area.

Therefore, where there is evidence of need for affordable housing within a London borough, we expect the local authority to seek the inclusion of affordable housing in all new housing proposals on suitable sites above the size threshold.

By providing a clearer framework for planning policies, circular 6/98 will facilitate speedier and more effective negotiations and decisions on planning applications involving affordable housing. However, both local planning authorities and developers will have to be more flexible in decisions on affordable housing provision. The message we are receiving from developers is that they are willing to negotiate with planning authorities, provided that they have in place policies that clearly show the way in which the authority intends to implement affordable housing policy. Those policies should also be consistent with the Government's advice.

The Government wish to optimise the contribution that the planning system can make to the overall supply of affordable housing. We wish also to ensure that there is certainty in the planning process, and that the overall supply of housing is not unduly hindered. Those objectives are especially important given the need to accommodate increasing numbers of new households, and to maximise the use of recycled land—brown-field sites—and existing buildings for that purpose. We must therefore ensure that affordable housing policies are consistent with guidance, consistently applied. I consider that our planning policy will help to optimise the contribution that the planning system can make to the overall supply of affordable housing in London.

The future of housing provision and housing finance is currently being considered in our housing comprehensive spending review, which is being conducted jointly by my Department and the Department of Social Security. Our principal objective is that everyone should have the opportunity to have a decent home. We are reviewing all housing programmes to ensure that they help us meet that objective.

The review is considering all housing programmes from first principles, and asking what they achieve and whether they are efficient and effective. We have received contributions from a wide range of housing organisations, and we are consulting on the best way to implement proposals arising from the review. All views are being taken into account as the review is carried forward. Conclusions from the review will be announced in the summer as part of our general spending plans.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. We must now move on to the debate on the Territorial Army.

Territorial Army

1 pm

Miss Ann Widdecombe (Maidstone and The Weald): I am grateful for the opportunity to raise this important subject. It is a measure of its importance that it is only a month since my hon. Friend the Member for Canterbury (Mr. Brazier) raised the same subject on the Floor of the House. The attendance today of my hon. Friends the Members for Mid-Sussex (Mr. Soames), for Canterbury, for Ludlow (Mr. Gill), for North Shropshire (Mr. Paterson) and for New Forest, West (Mr. Swayne) and of the hon. Member for Belfast, South (Rev. Martin Smyth)—and, indeed, the hon. Member for Tatton (Mr. Bell)—also testifies to its importance.

People may well ask why it is necessary to raise the subject so soon after the previous debate. There are various reasons, not least the fact that certain parts of the response by the Minister for the Armed Forces to the last debate—I say this will all due respect to the Minister, and acknowledge that he cannot, of course, prejudge the outcome of the strategic defence review—raised more questions than they answered. Therefore, I want to raise again some crucial points matters affecting the Territorial Army.

It is estimated that, over the past decade, some 750,000 people have, in one way or another, passed through the Territorial Army and received TA training. The TA's present strength is 55,000, and there are 35 infantry battalions. The signals coming from the strategic defence review are that it is principally the infantry battalions that are under threat, which could affect as many as 20,000 members of the TA.

My hon. Friend the Member for Canterbury previously gave a very eloquent explanation of the TA's wide-ranging role. The TA has a very obvious military role, in that it gives us a consistent base of basic military knowledge that can be called on in times of national emergency. We should remember that there are even now TA members in the Falklands, and that we called on them considerably during the hostilities in the Gulf. I am sure that the House remembers Dr. Charles Goodson-Wickes, a former distinguished Conservative Member of Parliament who served in the House when the Conservatives were in government, and who went to the Gulf as a reservist. We have had up to 1,500 people reservists in Bosnia, among whom the TA is still playing a major role. So the TA has a military role—it is not simply a cosy organisation that might be needed at some stage, but is already very actively employed.

The TA has other subsidiary, although still important, roles—not least that of training civilians. At my branch of the TA, which is part of an extremely proud and long-serving regiment—the Princess of Wales's Royal Regiment—I met Private Parker, a young woman who had been unemployed. She trained as a chef in the TA, and is about to go on to serve in the Regular Army for six months. She will then be able to take up civilian employment, having gained a range of qualifications that she did not have before she joined the TA.

The TA has a role in the welfare-to-work initiative, and, of course, uses and employs students who find that the TA offers a financial as well as a character-building advantage. It therefore has several subsidiary civilian roles in addition to its obvious military one.

The TA also employs a vast range of people. In our local TA branch, there are chartered surveyors and doctors as well as unemployed 17-year-olds, brought together and learning from one another. I therefore do not think that I have to persuade anyone of the value of the TA, but we have to ask whether, given the sterling work it does, it is really sensible to reduce its strength substantially in order to promote greater numbers in the Regular Army. There is a failure of logic in such a proposal.

The Regular Army is already about 5,000 under strength. In his reply to my hon. Friend the Member for Canterbury, the Minister for the Armed Forces said that it should not be, that there should not be such gaps, and that we should not use the TA to plug those gaps. However, the gaps exist, and it does not seem sensible—if the Minister wants to dispute this, he can do so when he replies—to increase the gap by creating a greater requirement for the Regular Army, which is not up to strength now, and taking away from the TA, much of which is fully up to strength.

The Minister will doubtless say that last year was a wonderful year for recruitment for the regulars, and that we recruited 97 per cent. of our target, but if there are already gaps, we need to recruit more than 100 per cent. to make any impression at all. If we recruit less than the target, we are simply augmenting the gap. Any gap is regrettable, and it can be dealt with, but the way to do so is not by cutting wholesale into the territorials.

If we cut the number of TA centres and start reducing the number of TA battalions, people will not travel miles and miles to join the TA. The TA operates essentially at a local level, and people will not travel all that far if their local centre disappears.

I deal now with an issue to which the Minister failed to respond adequately in the debate initiated by my hon. Friend the Member for Canterbury. The role of the cadet forces had, quite rightly, been mentioned, but the Minister said:

> "I do not understand how the right hon. Member for Wealden (Sir G. Johnson Smith) has gained the impression that we are in any way diminishing the role of the cadets—we have supported them."—[*Official Report*, 8 April 1998; Vol. 310, c. 315.]

That is very odd, because the cadets use TA centres. The army cadet force is based on local centres that the TA provides.

If we cut huge numbers of TA battalions and greatly reduce its strength, it follows, as night follows day, that the TA centres will disappear. If they do, the army cadet force is simply not going to be able to function as it does at the moment. The latest figures suggest, so the Army tells me, that 30 per cent. of recruits have cadet experience, so the cadet force clearly has a major role to play in supplying and backing up the Regular Army.

My local battalion is an infantry battalion. No army can function without a capable infantry. I know that we are in the age of high technology, but no matter how much ground is won, the infantry are required to hold it. In army tactics, if a steady progression is being made into enemy territory, all sorts of technology can be used to win the ground—ranging from tanks to the most modern missiles—but there is no substitute for the infantry when it comes to holding the ground. Therefore, if the TA is to be cut, it seems rather odd that the infantry is under threat.

Mr. Julian Brazier (Canterbury): Our most recent conflicts in the Gulf and the Falklands were fought over

open terrain. Given that open terrain is diminishing throughout the world, if a high-intensity war is fought in a built-up, mountainous or wooded area—to name but three more difficult categories—the need for more infantry becomes even more paramount.

Miss Widdecombe: My hon. Friend is absolutely right. The two conflicts demonstrate the point that I was trying to make, and give force to his argument.

My local battalion is fully up to strength, which is more than can be said for many of the regulars. It stands at 503, and has a turnover of about 25 per cent. a year. Therefore, in any given year, 125 people are entering and leaving. Of course, those who leave do so with training and knowledge that they did not have when they joined, and that might be a future resource for the country. The battalion covers Kent, Sussex and east Surrey—although it is not the only battalion operating in those parts—and it has a Victoria Cross to its credit. We should remember that.

During the previous debate on the TA, the Minister made a rather odd comment. He said:

"We did not undertake the strategic defence review to create a monument to the past, but to create effective fighting capability for the future."

He also said that the reserve

"is predicated on home defence".—[*Official Report*, 8 April 1998; Vol. 310, c. 316-17.]

The presence of a VC—the highest honour in active service—should show that there is rather more to the territorials than simply looking after home defence and plugging a few gaps.

I know that there is huge concern in my local battalion, which is not confined to the commanding officers and senior ranks, but is felt right down to the newest recruit. I visited my local TA centre only a couple of weeks ago, and every person I spoke to, from the 17-year-olds to those with many years' service, asked the same questions: "Why are the Government undervaluing us? Why are we under threat? Don't the Government understand the role we play?"

If the Regular Army were at full strength and it were necessary to expand it, and if there were severe gaps in the TA, the signals we are getting about the proposals might make a bit more sense, although they would not make complete sense. However, as the reverse is true, the current approach is misguided, and the purpose of today's debate is exactly the same as that of my hon. Friend the Member for Canterbury and all the representations from many hon. Members. It is to try to say to the Minister, before it is too late and before any final decisions are taken: please think again in respect of the Territorial Army.

1.13 pm

The Minister for the Armed Forces (Dr. John Reid): First, I thank the right hon. Member for Maidstone and The Weald (Miss Widdecombe) for her concern to save me. I deeply appreciate that, and the efforts that she has put into the debate. Today is a significant day, because we have yet another debate on the Territorial Army and because the right hon. Lady has shown us that she remains in training for a return to the Front Bench. It is also my mother's birthday. I am sure that the whole House will join me in wishing her all the best on her 79th birthday.

Miss Widdecombe: Will the Minister convey my wishes to his mother for a very happy birthday? I am sure that all hon. Members join me in that.

Dr. Reid: I am most grateful. No doubt that will counter-balance the animosity that my mother feels towards anyone who even mildly criticises me, but I shall explain that the right hon. Lady was doing so in her normal constructive fashion, and is a doughty fighter for her constituents.

The right hon. Lady's remarks were motivated by a concern for the Territorial Army and for genuine defence reasons, and I do not dispute that for a moment. She made a well-informed speech, and I shall address a number of points that she has raised. I shall be less generous than I have been in the previous two debates on the issue, as I am sometimes criticised for not providing answers. Part of the reason is that, every time I give an answer, an hon. Member wishes to dispute what I say, so I cannot address every point. I shall try to address some of the points that have been raised today.

First, it is worth restating, and reminding hon. Members, that the process in which we are engaged has been a uniquely open one. By Ministry of Defence standards, it has been unprecedented in the way in which we have debated and consulted on the issues throughout. This is the second Adjournment debate, and probably the third debate, in which the Territorial Army has featured. The subject has also been raised in seminars and panel discussions, and in written submissions. It seems that a phalanx of TA people is following me to every dinner and discussion that I attend throughout the country to raise various matters with me.

Secondly, it has not been an exercise to find savings, although we have to be realistic about what we can afford. Nor has it been an attempt to protect any one part of the armed forces at the expense of another. Let me say in all courtesy to Opposition Members that there sometimes seems to be a theme running through the legitimate task of protecting the TA that manifests itself as antagonism towards the Regular Army. The Regular Army does not have the public capacity to argue, lobby, publicise and write to Members of Parliament in the same way as the TA does, so I advise Opposition Members to be cautious about turning public opportunities to defend the TA into antagonism towards the regulars, who do not feel that that is a fair representation of the position.

Thirdly, we should try wherever possible to get rid of hypocrisy on these matters. The right hon. Lady spoke with great strength and passion, but she was also a member of a Government who cut the TA by 30,000. Today, she is discussing the possibility of a cut of half that number, and that is speculation. That puts the issue in proportion. If the right hon. Lady felt that it was legitimate in defence of the country to cut the TA by 30,000, she has at least an obligation to accept that, and the fact that numbers are not the only consideration.

Mr. Christopher Gill (Ludlow): Will the Minister give way?

Dr. Reid: I am trying to reply to questions that have been raised, against an earlier complaint that I was not providing answers.

[Dr. Reid]

On targets, it is incorrect of the right hon. Lady to say that, if we reach 100 per cent. of our targets, we will not reduce the shortfall. I am sorry, but that is wrong. The targets take account of the shortfall, and we need to get rid of it.

There is a dreadful shortfall in the armed forces, which we inherited from the previous Government. The anticipated target that I inherited in respect of the Army was between 5,500 and 7,500. I can tell the right hon. Lady that the current figure is not 7,500 or even 5,500. We are reducing the shortfall. I anticipate that this year the figure will be significantly beneath 5,000. There is a long way to go, but I fully intend to make sure that the TA is not viewed as a stop-gap for deficiencies inherited from the previous Government, but stands in its own right as a modern and usable force.

Mr. Gill: Will the Minister give way on that point?

Dr. Reid: No. I shall make progress. If I have time at the end of my speech, I shall allow the hon. Gentleman to intervene.

Of course we shall take account of the footprint of the Territorial Army throughout the country, and the cadet force will be one of the elements we shall consider. The right hon. Member for Maidstone and The Weald should not proclaim publicly that we are cutting resources to the cadets. When the review is concluded, she may find that she is wrong about that as well.

A package of proposals has been put to the Prime Minister and the Cabinet. They cover the full range of defence issues: the structure of the regular forces, strategic lift, logistics and medical support, to name but a few. Among those are proposals for the reserves. Taken together, the proposals point towards conclusions that are coherent as a whole, and will give us the flexible and robust forces we need to discharge our policy objectives.

We shall now decide collectively on the final outcome of the review. Rumour and speculation, I understand, are inevitable at this stage, but no final decision has been taken. However, I am confident that the outcome will be good for the armed forces, the reserves and the nation.

I want to talk about what we shall seek to achieve with the reserves. First, we need a Territorial Army that is relevant to today's strategic environment. It must be structured for all the roles and tasks that we can plausibly foresee. The right hon. Lady rightly pointed out that the role of the TA did not relate wholly to home defence or reinforcement in the event of a conventional war against Russia. No one is speculating about getting rid of the TA. However, she must recognise that a significant aspect of the Territorial Army's traditional role over the past decades was predicated on an imminent Soviet Union attack on Europe or the United Kingdom. That was a significant element in the configuration of the TA.

Mr. Brazier: And of the regular forces.

Dr. Reid: And of the regular forces, which is precisely why we are changing the regular forces. I say to the hon. Member for Canterbury (Mr. Brazier), who is today the aide-de-camp to the right hon. Member for Maidstone and The Weald, and, in his own right, a robust defender of the TA, that, if we modernise the regular forces in all three services, the TA must be modernised.

However pessimistic we may be, none of us expects to wake up tomorrow to the threat of an imminent drop of spetznaz troops on the UK mainland. We must examine the TA's traditional role and consider how we can update it. The previous Government, of which the right hon. Lady was a member, started to change the Territorial Army's role, and that process is continuing and being updated.

I know that the right hon. Lady is a strong supporter of the Territorial Army, and I point out to her that to leave any part of the TA languishing in an outdated cold war role while modernising the rest of the services would do it no service, and would render it irrelevant, subject to criticism and unusable in the future.

Our review has shown that there is a particular need for certain elements that have been mentioned in debates on the TA: signallers, drivers, artillery men and women, military police, intelligence and survey teams. Those are specialists. We need Territorial Army soldiers who can repair battle-damaged vehicles, operate sophisticated military equipment such as the multiple-launch rocket system, deal with local civilian populations, and engage in a wide range of specialist and core military tasks.

It does the TA no service continually to diminish its range of capabilities with the speculative scare stories that we sometimes hear during debates such as this. I expect that the review will conclude that we need many more medical reserves. The review of the whole force configuration shows that there are serious weaknesses in the medical force.

Secondly, we need a Territorial Army that is usable. Achieving that would do the TA a service in future commensurate with what it has done in the past.

A clear, and perhaps not surprising, conclusion of our foreign policy-led analysis is that speed of deployment in an international crisis is important. Reserves are often a cost-effective source of military capability, but they take longer to get ready than regulars. That is particularly true in the case of front-line infantry and armour roles, which demand a great deal of all-arms training.

There are roles for which we can expect to call on reserves at short notice. Some units and individuals must be capable of being deployed on operations with little warning. At present, almost all the Territorial Army is held at low readiness against the remote possibility of a major attack on NATO. That must change. One way in which the TA must change is that, in the event of a major crisis—

Mr. Brazier: It could be a matter of months.

Dr. Reid: The hon. Gentleman should listen, because I am attempting to make points that should perhaps have been considered by Conservative Members, and make progress on the points made by the right hon. Member for Maidstone and The Weald.

One way in which the TA must change is that, in the event of a major crisis, we must be prepared to call out reserves compulsorily and in their thousands if we are fully to exploit the military potential of the TA and other reserves. We ought to consider how we will engender that cultural change, which will enhance the TA's position within our overall force structures.

If we are to give practical effect to past rhetoric, we must also improve the mobilisation procedures for the TA, whether for major operations or for individuals volunteering to reinforce the Regular Army on current operations. We need to improve our administrative methods so that they are not ad hoc, and provide a dedicated system of mobilisation for the TA, so that it can be used in its desired roles.

Thirdly, we envisage that the Army we deploy in future operations will be one integrated force, part regular and part—a substantial part—reserves. It would include terries in a wide range of skilled roles, some as individuals working with regulars, many in Territorial Army units. We would be unable to fight a war at any serious level without them. I give testimony today to our gratitude to the TA in the past and to our continuing commitment that it will be usable and relevant in future.

We will need a substantial Territorial Army, which is capable in crisis of reinforcing our armed forces in many areas where we should not try to maintain a full regular capability in peace time. The TA must be shaped to roles that will be relevant to our strategic aims. It must be usable in pursuit of those aims—ready when needed, willing when called out. A relevant and usable Territorial Army, closely integrated with all other armed forces within the United Kingdom defence configuration, is a modern TA, and right for the service of a modern Britain.

Mr. Gill: The Minister is aware of Conservative Members' great concern about the prospective numbers of the Territorial Army. Does he acknowledge that, if one reduces the size of any organisation below a certain critical mass, it ceases to be viable and sustainable?

Dr. Reid: Of course I accept that there is a level of critical mass, but that level may be debated. One can increase the effectiveness, capability, usability and relevance of our armed forces while reducing their size. If that is not the case, will the hon. Gentleman tell the House why he supported a reduction of 32 per cent. in the military personnel of the forces under the previous Government? They made that reduction because they thought that it made the forces more usable and more professional in the modern context.

After nine months of a strategic defence debate, Conservative Members' only criticisms have been about size, which is one aspect of one role of one of the reserve forces out of the whole force configuration. If size were the only issue, we would never have given up conscription. We now have a better and more capable Army than we have ever had, but it is much smaller.

Mr. Brazier: The Minister has singled out infantry and armour as the only two roles that he does not think are particularly appropriate for the Territorial Army. Will he explain why the most exhaustive trials that America has ever carried out on its armoured infantry forces—in 1992—show that its reserve armoured infantry was only three weeks behind its regulars in readiness?

Dr. Reid: I am not going to discuss the hon. Gentleman's conclusion, because his premise is wrong. I did not say that there was no role for infantry or armour in the Territorial Army. I said that its traditional role was the defence of the United Kingdom and reinforcement in a conventional war against Russia, which none of us thinks is imminent. Therefore, we must rethink the size and roles of that element. I am trying to create a Territorial Army that, in practice, is relevant, usable, integrated and more professional in future. That does not merely concern size.

I stand second to no one in my respect for the individuals who make up the Territorial Army and who have contributed so much to this country. We will not preserve their future by maintaining them constantly in their past configuration. It is our role to give them a future as well as a proud past—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Gentleman must sit down when I am on my feet. We move to the next debate.

Water Fluoridation

1.30 pm

Mr. David Lock (Wyre Forest): I am extremely grateful for the opportunity that this debate provides to speak about the important subject of fluoridation in water.

None of us likes going to the dentist. The shrill whirring of the dentist's drill causes most of us to feel our shoulder blades coming together as we are reduced to a state of quivering submissiveness. Despite many strides that have been made in recent years, a visit to the dentist is even more frightening for children than for adults.

However unpleasant a visit to the dentist may be, I hope that everyone accepts that dentists should be a vital part of our national health service. Living with poor dental health for years is infinitely worse than the pain of a visit to the dentist. Years of unnecessary toothache, having tooth after tooth removed and replaced by dentures at an early age, is a reality for far too many people in Britain today. However, in many parts of the country there are no NHS dentists. The systematic removal of dentistry from the NHS may not have been the previous Government's intention, but their policies had that effect. Despite being warned about those effects, they took no steps to promote NHS dentistry. Poor dental health for our children is the result.

Poor dental health is also the result of poor diet and poor oral hygiene and is symptomatic of poor education. We have known for many years that illnesses disproportionately affect our poorest citizens. That was conclusively shown by the Black report that was published—or, rather, not published—as long ago as 1979. Heart disease, cancer and mental health all strike hardest on our most vulnerable citizens. It should therefore be no surprise to find that tooth decay is no exception.

This is an appropriate time to raise such issues because in February the Government published the highly acclaimed Green Paper "Our Healthier Nation", which rightly raises the issues of health inequality, including those of dental health. The Green Paper recognises that the single most effective step that can be taken to improve the dental health of our poorest citizens is to fluoridate water to an optimum level of one part per million.

Fluoridation is strongly approved by the British Dental Association, which is to be commended for promoting better public health above the financial interests of its members. Fluoridation means fewer fillings, fewer extractions and thus fewer painful visits to the dentist. It also means a cut in the money that the NHS spends on dentists. I wryly reflect that the public health arguments for fluoridation must be compelling for the BDA—and others—to press for a measure that is so much against its members' financial interest.

The arguments for water fluoridation are strong. I shall illustrate that by using my constituency as an example. Kidderminster does not have—and has never had—the benefit of fluoridated water. The adjacent Worcestershire towns of Bromsgrove and Redditch were part of the old Birmingham system and are fluoridated. Differences in dental health between the two areas are startling. There is about 2.5 times as much tooth decay in children in Kidderminster as in Bromsgrove and Redditch, despite the fact that Kidderminster has a better Jarman score—the accepted indicator of social deprivation—of minus 16.8, in comparison with minus 21.6 for Bromsgrove and Redditch. The effects of greater social deprivation have, in dental health, been more than outweighed by the simple expedient of putting minute traces of fluoride in drinking water.

The effects are not confined to children. Adults' teeth are worse in Kidderminster than in the neighbouring towns, with a 37 per cent. higher rate of dental extractions compared with fluoridated areas. Those figures have been validated by a comprehensive study in Anglesey, which confirmed the long-lasting benefits of fluoride for children and adults. It is also clear from academic work that such benefits accrue most to those in the worst economic circumstances. Proper levels of fluoride in drinking water are a simple and effective way of achieving equity in dental health across Britain.

Mr. John Butterfill (Bournemouth, West): There may be other medical conditions that could be improved by the adding of medicine to the water supply. Does the hon. Gentleman support those as well?

Mr. Lock: The hon. Gentleman's point is—I am afraid—confused because it assumes for the purpose of the argument that fluoride is not a natural constituent in many areas of Britain. In fact, fluoride is naturally present in many areas, and adding it would merely bring some areas up to the natural state of others.

Adding fluoride to water will save the NHS and our country many millions of pounds. Every tooth that is unnecessarily filled or extracted is an unnecessary expense. Every day off work due to avoidable toothache is a day lost to British industry. Surely there are better uses for scarce NHS resources than paying dentists for work that could be avoided.

What are the arguments against fluoride? As I see it, there are essentially three: first, medical objections, secondly, civil liberties objections, and thirdly, indemnity problems. The anti-fluoridation lobby sees adding minute traces of fluoride to water as a threat to health. The health issues are now as clear as the drinking water itself. I do not have time in this short debate to recite the history of every health scare that has been based on half-baked research over the years. Skeletal fluorosis, cancer, hip fractures and many other conditions have been laid at the door of fluoride in drinking water, but the core of problems for those promoting such theories is that there are large areas of Britain, such as Hartlepool, for example, where fluoride at the optimum level is naturally present. Also, in countries such as the United States of America, very large areas—about half the country—are fluoridated. There is no chemical difference between added and natural fluoride.

The absence of diseases and complained of conditions in such areas compared with areas where there is no fluoride should be more than sufficient proof to satisfy the experts that the hypothesis of a link is unfounded, however the claims have been subject to extensive scientific analysis and found wanting. For example, the cancer scare was examined comprehensively by a Department of Health working party under Professor George Knox in 1984, and just as comprehensively dismissed. There are, of course, those who refuse to be convinced. However, given the tangible and demonstrable benefits of fluoridation, opposing it on scientific grounds against the views of scientists is unreasonable.

I turn to the civil liberties argument, for which I have more respect. At its base, it is an argument for individualism and against democratic bodies working for the public good. There are many occasions when we, as a society, take decisions that impact on the freedom of an individual to carry on life as he or she desires, justifying the decisions on the basis of greater public good. Speed limits on our roads, gun control law, prohibited drugs and restrictions on certain foodstuffs that have public health concerns all come into that category. In such cases, the individual's freedom is curtailed to a limited extent for the greater public good.

The supposed right to drink water free of minute traces of fluoride does not of course exist in many parts of the country, where natural levels of fluoride are present. Therefore, it is not a right in any sensible meaning of the word. Adding fluoride to water in other places thus only takes its constituency up to the natural level elsewhere. When properly examined, this is not a natural rights argument at all.

Fluoridation is no different in principle from any other action that the Government take on behalf of the majority which is, in some instances, against the wishes of the minority. *[Interruption.]* If the hon. Member for Bournemouth, West (Mr. Butterfill) wishes to intervene, he can, but his sedentary interventions cannot be encouraged.

Mr. Butterfill: All sorts of substances occur naturally in water—some beneficial, some harmful. In some areas, there is a natural occurrence of lead, and there are radioactive substances in the water in Cornwall. Does the hon. Gentleman suggest that those should be added to the water as well?

Mr. Lock: The hon. Gentleman makes my point precisely. Where there are substances in the water, we should analysis them carefully to see whether they are for the public good or the public harm. If they are for the good, they should be retained. If harmful, they should be removed.

Tangible benefits flow from fluoridation to the socially deprived, and where health authorities have consulted, upwards of four out of five people actively supported fluoridation. In those circumstances, I find it difficult to justify the right of a small number of determined, but perhaps narrow-minded, individuals who wish to oppose the benefits that the general public want.

The third problem—the one on which I seek to press my hon. Friend the Minister—is the issue of indemnities for the water companies. The existing system, under the Water (Fluoridation) Act 1985, provides for health authorities to request water companies to provide fluoridation in water where, after public consultation, the health authority decides that it is appropriate for its area. The Green Paper raised the issue of the level and the process of consultation. I can only say that the consultations in which I have been involved have been models of consultation and public debate, and have provided a real opportunity for the public to discuss both sides of the argument. These are the processes which have, after public education, produced a 79 per cent. approval rating for fluoridation.

Certain indemnities against criminal or civil liabilities can be given by the Secretary of State to the water companies to protect them against claims, good or bad, arising as a result of fluoridation of the water supply. The water companies have, in effect, a discretion under existing law whether to comply with a request from the health authorities. Some companies—including Severn Trent, which serves my constituency—are seeking much wider indemnities than those provided by the current scheme.

The problem of the extent of indemnities is complex. I accept that, as indemnities can lead to exposing the public purse to the risk of extensive liabilities, the Minister must consult the Treasury before any extended liabilities can be given. Although I have some sympathy for the position of the water companies—which do not wish to expose themselves or their shareholders to unquantifiable liabilities—it must be recognised that they are monopoly suppliers which make substantial profits out of exploiting their monopoly position. In those circumstances, they are entitled to reasonable indemnities, but it cannot be right for companies to seek an indemnity from all criminal acts—even if there is fault on the part of a company or its employees.

Today, I am seeking assurances from the Minister on three grounds: first, that she will, at an early date, conduct discussions with the water companies and her Treasury colleagues to seek to agree a standard set of indemnities that can be given by public authorities where a request to fluoridate is made; secondly, that when the Green Paper is followed by a White Paper and legislation, the standard indemnities will be set out in a schedule or in secondary legislation so that everyone knows where they stand on indemnities and so that these issues are not open to further negotiation; thirdly, that when she comes to consider new legislation on fluoridation, my hon. Friend will look carefully at the discretion given to water companies by section 1(1) of the 1985 Act to comply with a request from a health authority.

If a public body such as a health authority conducts a public consultation exercise and reaches a view, in public, that fluoridation of the water supply is right as a public health measure, it should not be open to a private water company to have the discretion to block that measure. There have been no new fluoridation schemes since the discretion was given in the 1985 Act. That has resulted in the blocking of health benefits for a large number of our citizens. I ask the Minister to carefully consider whether the time has come to remove the discretion.

I close by commending the Government on raising the issue in the Green Paper. I hope that the excellent start which has been made will, in the near future, be turned into an effective scheme to give local health authorities an enforceable power to require water to be fluoridated where they consider that appropriate to local circumstances. With this power, I look forward to seeing tangible benefits for my constituents so that the rate of children's tooth decay in Kidderminster falls by two thirds, as demonstrated in neighbouring towns.

Mr. Butterfill *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. If the hon. Gentleman wishes to speak in an Adjournment debate—which is essentially for the hon. Member who raises the matter—he must have the permission of the hon. Member and the Minister. Without that, I am afraid that I cannot call him.

1.45 pm

The Minister for Public Health (Ms Tessa Jowell): I commend my hon. Friend the Member for Wyre Forest (Mr. Lock) on securing this important debate at a time when the public consultation on the Green Paper on public health is drawing to a close. We have received more than 5,000 responses, and there has been overwhelming support for the Government's approach to improving health and tackling health inequality.

As my hon. Friend has described, tackling inequalities in oral health is an important part of the overall programme. There is very good evidence that significant inequalities remain in the oral health of the population. Even at a regional level, there are factor differences in the levels of tooth decay in children. For example, in 1995-96, five-year-olds in the west midlands had, on average, less than half the numbers of decayed, missing or filled primary teeth than those in the north-west.

As my hon. Friend mentioned, some 5 million people receive water where the fluoride content has been artificially increased to a level of one part per million. Major schemes are in operation in Birmingham and throughout the west midlands, and also in Tyneside. About 500,000 people in this country receive water which is naturally fluoridated at or about the optimum level of one part per million. A further one million people receive water which is naturally fluoridated at a lower level, but which still confers some dental benefit.

Well-documented studies have shown that fluoridation of the water supply can produce a reduction in dental decay in children of about one third or one half. Sandwell was fluoridated in 1986. Over the following 10 years, the amount of tooth decay in children had more than halved. During the same period, an area with a comparable population mix—Blackburn, in the north-west—saw little change in its children's oral health. That example has been replicated in many other places over the past 50 years.

Mr. Butterfill: Very few people in the House would deny that there are health benefits from fluoridation. All my children have received fluoride treatment, and it is difficult to buy toothpaste without fluoride. However, does the Minister agree that there is a significant civil liberties argument, which is that people should be able to choose the medicines they receive? Once the state starts saying that it will enforce the addition of medicine to the water supply, we will be in a dangerous area. We may be open to challenge from the European Court of Human Rights.

Ms Jowell: I thank the hon. Gentleman for that intervention. We recognise that strongly held views exist on both sides of the argument. Undoubtedly, important civil liberties matters need to be considered and I hope that as I continue with my remarks he will understand that the Government's approach is intended to take proper account of those concerns.

My hon. Friend referred to the important deterioration in dental health that occurred when fluoridation was withdrawn in Anglesey. Obviously, in considering a public health measure such as fluoridation, we are concerned above all else with safety. Nothing can ever be pronounced safe in absolute terms, but no ill effects have ever been found to exist as a result of drinking fluoridated water. The view that water fluoridation is safe is that of the majority of medical and scientific opinion throughout the world, based on practical experience and research over 50 years. In that time, many health problems have been alleged to be linked to fluoridation. They have been investigated and no link was found. I must make it clear to the House that the Government will proceed with an open mind, always willing to consider evidence on either side of the argument. That is a policy pursued in the interests of tackling inequality and applying what works, not in the pursuit of dogma.

Dr. Peter Brand (Isle of Wight): Does the Minister agree that a precedent to counter the civil liberties argument is the addition of vitamins to white flour, bread and margarine, which has been going on for many years in this country, about which no one has complained and which has certainly prevented much disease?

Ms Jowell: Undoubtedly, there are analogies, but rather than drawing on a point of principle, our concern is to examine fluoridation as a potential area of public policy that would effectively tackle inequality in the enjoyment of oral health. To do so, it is extremely important to enable proper opportunities for local representation.

To underline the safety issues, the most recent research of which we are aware in this country concerned a potential link with hip fracture, which has also proved to be unfounded. Any convincing evidence of harm to general health as a result of drinking artificially fluoridated water at one part per million has yet to emerge. Indeed, it is estimated that throughout the world 210 million people drink artificially fluoridated water.

Mr. Butterfill *rose—*

Ms Jowell: I have already given way to the hon. Gentleman and I hope that he will forgive me if I do not do so again as I wish to cover a considerable amount of information.

Legislation is the problem at the heart of the issue and the final decision on implementing fluoridation schemes rests with the water undertaker. The Water (Fluoridation) Act 1985 was consolidated in the Water Industry Act 1991. Section 87(1) of the 1991 Act states:

> "Where a . . . Health Authority have applied in writing to a water undertaker for the water supplied within an area specified in the application to be fluoridated, that undertaker may, while the application remains in force, increase the fluoride content of the water supplied by the undertaker within that area."

That is the legislative framework, but it is clear that there are shortcomings in the effectiveness of the legislation—the Act has not worked.

Since 1985, 55 health authorities in England—nearly half taking into account the mergers of the past 12 years—have requested water companies to introduce water fluoridation. None of those requests has been accepted. As a result, there have been no new water fluoridation agreements since 1985. The reason is simply that none of the water companies has exercised its discretion to agree to a health authority's request. Since 1985, none of the requests has been accepted and implemented for the benefit of the local populations.

The legislation is also deficient in not specifying how a health authority should test local opinion during consultation. The Act requires only that the proposal be

published in at least one local newspaper and for local authorities to be consulted. Health authorities need to be much more pro-active and we need a much clearer and explicit framework within which consultation is carried out.

My hon. Friend mentioned indemnities, which are clearly another stumbling block in the operation of existing legislation. Water companies are concerned about any liabilities that they may incur from fluoridation. I am aware that some water companies, including Severn Trent, have sought changes to the statutory indemnities that we are able to offer when they implement fluoridation schemes. Our public health White Paper will set out a clear policy framework for fluoridation and we will need to consider any changes to indemnities in that context—it is also in that context that I shall deal with the points about indemnities that my hon. Friend raised. However, in the meantime I would encourage the water industry to work with the health authorities, using the current indemnities available against civil liabilities.

Briefly, on alternative sources of fluoride, to which the hon. Member for Bournemouth, West (Mr. Butterfill) referred, among the other options for improving oral health is the adding of fluoride to selected foods. Both milk and salt have been tried, but their effect is not universal; nor is it as effective as fluoridating water because of personal preference and compliance. Adding fluoride to school milk has been shown to have beneficial effects throughout all social classes, but the problem is essentially one of compliance and consent.

To sum up, the present situation is a mess. The public health benefits of fluoridation are clear. The overwhelming evidence is that fluoridation of water is safe and effective. Recent opinion surveys have shown that more than two thirds of the public are in support, but, as I willingly acknowledged, there are those who hold alternative views. Doing nothing is not an option. The fluoridation programme is at a complete impasse. We cannot allow decisions on the principle of introducing a fluoridation scheme to be taken by a body that is accountable to its shareholders rather than its local population. That is why our public health White Paper, when it is published in the autumn, will draw on the extensive range of views offered during extensive consultation. The White Paper will set out the Government's intended framework for a way forward on fluoridation that will be recognised as workable, fair and taking account of the wide measure of public support for that practical policy to tackle inequality in oral health.

It being before Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Sitting suspended, pursuant to Standing Order No. 10 (Wednesday sittings), till half-past Two o'clock.

Oral Answers to Questions

DUCHY OF LANCASTER

The Chancellor was asked–

Citizens Charter

1. **Mr. Bill O'Brien** (Normanton): If he intends to introduce penalties or sanctions for non-compliance with charter mark objectives; and if he will make a statement. [39789]

The Parliamentary Secretary, Office of Public Service (Mr. Peter Kilfoyle): Currently, charter mark holders may have their award withdrawn if they fail to maintain the required standard. We have no plans to introduce penalties or sanctions beyond that.

Mr. O'Brien: I thank my hon. Friend for that response, but I plead with him to consider the matter further. I believe that those who have been awarded the charter mark but whose services subsequently fail to come up to standard—there are instances of this—should have their plaques, and any certificates that they have on display, withdrawn. I hope that he will take the matter seriously. Does he agree that, if the standards that the Government have set are to be maintained, it is important that people recognise that their certificates and plaques can be withdrawn?

Mr. Kilfoyle: Before people are awarded a charter mark, they have to undergo a rigorous process—they must meet the nine criteria that are set out; they must be assessed by independent professional assessors; and the award must subsequently be approved by the panel. The charter mark is not easily obtained, and it is awarded for only three years—people must reapply if they want it extended. There is also the sanction of withdrawal in extremis. My hon. Friend may recall the examples of British Gas, which was not up to standard in the service that it offered, and of London Electricity, to which we provided the support, help and advice to enable it once again to attain the standard that we expect of charter mark holders.

Rev. Martin Smyth (Belfast, South): Although I appreciate the thrust of the question and response, does the Minister accept that a number of groups involved in hospital care in Northern Ireland that have deservedly been awarded the charter mark have found that, given the pressures under the previous Administration, and even currently, they cannot reach the standards set for waiting lists, for example? I was given to understand that there would be no change in the standards, but I hope that those groups will not be punished if, because of an absence of finance, they cannot meet some of those standards.

Mr. Kilfoyle: I welcome part of what the hon. Gentleman says, but I stress that we maintain very high standards for charter marks. Without such high standards, charter marks would not have the credibility which last year led to 947 applications—an increase of 28 per cent. on the previous year. It is precisely because standards are maintained that so many people apply for a charter mark as a badge of excellence in service quality.

Millennium Compliance

2. **Mr. David Hanson** (Delyn): What progress has been made with regard to millennium compliance within Government. [39790]

The Chancellor of the Duchy of Lancaster (Dr. David Clark): The progress reports that I published on 3 March show that many central Government organisations have reached the testing stage or, in some cases, completed work. An update on progress will be made in June, when I shall also make available information on progress in the wider public sector.

A new year 2000 team has been established in the central information technology unit, in my Department, to chase progress and to help spread best practice across Government Departments and the wider public sector. The new team is also managing a study undertaken by Ernst and Young, which will initially define and map those processes that are key to the maintenance of essential public services in the United Kingdom, including those run by private sector companies.

Mr. Hanson: I thank my right hon. Friend for that full reply and for the work that he and his team are clearly doing to ensure that Departments are millennium compliant by 2000. Does he agree that, as with many private sector businesses, the key to millennium compliance rests with the testing period? He has mentioned that not all Departments have reached that stage. What does he intend to do to ensure that they do, and what further action is planned?

Dr. Clark: My hon. Friend is right to highlight that issue. Experience in the private sector has shown that difficulties often emerge at the testing stage. I have drawn that to the attention of all my ministerial colleagues and have requested them to undertake internal audits on the tests and to bring in external assessors, so that we have a belt-and-braces approach to the whole affair.

Mrs. Cheryl Gillan (Chesham and Amersham): Has the Chancellor of the Duchy of Lancaster had the opportunity to read today's *Financial Times*, which says that the national health service is failing to act on the millennium bomb? The software house Prove It 2000 has produced a survey showing that more than a third of NHS trusts, hospitals and general practitioner surgeries have spent nothing on ensuring that their systems can cope with the millennium and that, so far, only 24 per cent. of NHS administration systems are millennium compliant. Does he still maintain that the NHS will be ready for the millennium, and is he prepared—right now—to give a Government guarantee that all NHS services will be fully operational by the first week of 2000?

Dr. Clark: Every health authority and national health service trust has responded to the 31 March 1998 deadline. The summary information from the survey suggests that good progress has been made overall, but, as the hon. Lady said, and as has been reported in the press, a minority of NHS organisations have further work

to do. We at the centre of government have decided to monitor the situation, and regional directors will be required to intervene if progress is found to be unsatisfactory in any NHS organisation. If we had inherited a better-prepared plan for tackling the problem when we took office, we would have been better prepared to deal with what one has to admit is an extremely difficult problem which must be solved, no matter what happens, because the year 2000 will surely come.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Will my right hon. Friend make an urgent attempt to point out to several Departments and agencies that there are major problems with their computer systems? There is a problem at the Inland Revenue and a severe problem with air traffic control, and there is clear evidence that some Departments will face the same difficulties. Will he please talk severely to those in charge and say that it is now well beyond the 11th hour, and that the 12th hour may be very painful indeed?

Dr. Clark: My hon. Friend is right to make the point that the problem has to be solved. We have never pretended that it is easy: it is not. We have established a Cabinet Committee to consider the problem overall, and we are working with Ministers to try to ensure that plans are in place to ensure that Departments are compliant on 1 January 2000. Indeed, we have done more than that: we have published all the details in the Libraries of both Houses and on the internet, and I shall return to the House every three months to give an update on the plans. It is clear that we need to be absolutely open and show the world that we are tackling the problem.

Civil Servants

3. **Dr. Alan Whitehead** (Southampton, Test): What steps he is taking to encourage exchange of expertise between United Kingdom and Commonwealth civil servants. [39791]

The Parliamentary Secretary, Office of Public Service (Mr. Peter Kilfoyle): We are keen to encourage the exchange of expertise between the United Kingdom and Commonwealth Governments. There is a range of formal and informal mechanisms through which we exchange expertise with Commonwealth Governments. The Cabinet Office's international public service unit promotes and exports United Kingdom expertise in public sector reform and public administration. The Cabinet Office is also a member of the Commonwealth Association for Public Administration, whose aim is to enhance Commonwealth co-operation in improving managerial competence in government.

Dr. Whitehead: I thank my hon. Friend for that full answer. In the light of what he says, is he prepared to have another look at the regulations passed by the previous Government, which effectively prevent Commonwealth citizens from applying for United Kingdom civil service jobs?

Mr. Kilfoyle: I should like to see progress being made in opening up the civil service to selection on merit regardless of nationality—but in a way that does not compromise the United Kingdom's right to reserve posts for its own nationals when necessary. A straightforward reversal of the 1996 rule changes would carry a real risk that the United Kingdom might lose that right. It would lay us open to legal challenges from non-Irish European economic area nationals saying that they had been discriminated against, and an unfavourable judgment in the European Court of Justice might find that we had prejudiced our position by appointing Irish and Commonwealth citizens to reserved posts.

Mr. Nicholas Soames (Mid-Sussex): Does the hon. Gentleman agree that such exchanges are extremely valuable? It is a question not of a civil servant from Australia simply taking the job of an official in England, but of possibilities for officials from both sides to have the opportunity to work in different Government Departments. Does he also agree that it would be valuable to offer places in British Ministries to the occasional European Union official, to give those people a chance to see how our officials work? Might not the presence of a French Enarque in the DHSS do wonders for the administration of British government?

Mr. Kilfoyle: The hon. Gentleman will be aware that we do not have a Department of Health and Social Security any more; we have two separate Departments, so unless the official were schizophrenic he would have great difficulty. However, the point about reciprocity in such exchanges is well made. We learn as we teach other Governments, and we extend our influence within them.

Public Appointments

4. **Fiona Mactaggart** (Slough): What background checks are conducted on people who are appointed to public bodies. [39792]

The Parliamentary Secretary, Office of Public Service (Mr. Peter Kilfoyle): The selection process for public appointments assesses the merit of candidates, their ability to maintain standards in public life, and any potential bars to their appointment. As part of this process, Departments may take up references and make other background checks where that is justified by the nature of the post.

Fiona Mactaggart: I thank the Minister for that reply. Is he confident that the requirements in the code of practice of the Commissioner for Public Appointments, and practice in general, are sufficiently rigorous in relation to taking up references? It seems to me that it should be the normal practice to take up references, especially references from most recent employers, for people seeking appointment to public bodies. Would the Minister commend that practice to Ministers in other Departments who make such appointments?

Mr. Kilfoyle: I would certainly commend that practice. I should also point out that the code of practice is working well, and that the commissioner has played an important role in bringing it into effect. I should also tell my hon. Friend that it is for the Department responsible for the public body in question to ensure that the guidance from the Cabinet Office is followed.

Sir Patrick Cormack (South Staffordshire): Bearing in mind the fact that at least three notable ladies—

Baroness Jay, Baroness Hayman and Brenda Dean—owed their appointments to health bodies to the previous Government, can the Minister tell the House on how many occasions political allegiance has been taken into account in appointing people to and dismissing people from public bodies over the past year?

Mr. Kilfoyle: A question about political appointments would have been better addressed to the Conservative Government. Under the present Government, appointments are made strictly on the basis of merit, and the overwhelming majority of appointments made are non-political, involving people who make a contribution through public bodies to the public life of this country.

Mr. Derek Wyatt (Sittingbourne and Sheppey): Does the Minister agree that if we are to modernise this country, the CVs of applicants should show that they are not only IT compliant but millennium compliant?

Mr. Kilfoyle: That would be a testing proposition were we to apply it to Conservative Members—we should start with their compliance and computer literacy.

Electronic Service Delivery

5. **Mr. Michael Fabricant** (Lichfield): What plans he has to extend his Department's activities in respect of digital communications. [39793]

The Chancellor of the Duchy of Lancaster (Dr. David Clark): The key to the Government's approach is flexibility. We see a variety of channels as providing user-friendly access to electronic government services. The Government's target for electronic delivery of services is not dependent on a single technology or delivery channel. Telephone call centres, personal computers, kiosks, other public access terminals and digital broadcasting are all examples of possible delivery channels.

Mr. Fabricant: Does the Chancellor accept that it is an accident of history that the means of digital communication, whether by telephone, broadcast, narrowcast, cable and so on, are the responsibility of several Government Departments—his own, the Home Office, the Department for Culture, Media and Sport and the Department of Trade and Industry? What is his personal view on that? Does he not think that it would be better were they encompassed within, and regulated by, one Government Department?

Dr. Clark: One of the things that shook me most when I took over my office 12 months ago was to find that we had inherited a position whereby Government Departments could not speak to each other electronically. I found that quite staggering in the modern age. One of the matters on which I have spent a great deal of effort over the past 12 months is the installation of a Government secure intranet, which allows Government Departments to interact electronically. Building on that platform, we can have a truly modern Government and, by using information technology, we can deliver services to our citizens at a time and in a manner of their convenience and of their choosing.

Ministerial Visits

6. **Mr. Nigel Evans** (Ribble Valley): When he next intends to visit the Ribble valley to discuss his responsibilities in relation to the Duchy. [39794]

The Chancellor of the Duchy of Lancaster (Dr. David Clark): I had the opportunity to pay a visit to the Ribble valley on 1 September 1997 during a tour of the Duchy estates, but I have no plans to pay another visit in the immediate future.

Mr. Evans: That is a great shame—I hope that the Chancellor will look again at his diary. I do not accept the rubbish written in newspapers to the effect that he is ready for the chop in the Prime Minister's first reshuffle, because I am sure that the Prime Minister has total confidence in him and the work that he has done over the past 12 months. In the many months ahead of him, will he visit the Ribble valley and other parts of the Duchy to get the message across about the fund he has at his disposal that receives money from people who have died intestate, which helps organisations, some of which are in the Ribble valley? Will he give publicity to that fund, so that more organisations will be able to apply for funds from that source?

Dr. Clark: I know the Ribble valley well and have spent many enjoyable hours on the side of Clougha and around Dunsop bridge. I accept the hon. Gentleman's kind words. I am not a trustee of the benevolent fund, but, since assuming office, I have widened the membership of the trustees of the fund and have requested—the request has been agreed to—that each of the three lords lieutenant in the County Palatine should have advisory committees to help them to make assessments as to how the charitable grants should be disbursed. I shall certainly take on board the hon. Gentleman's point and try to increase the publicity given to the benevolent fund.

Mr. Peter L. Pike (Burnley): I know that my right hon. Friend is anxious to ensure that magistrates represent the areas in which they serve. In the Ribble valley and the whole of the County Palatine, is he getting sufficient nominations to ensure that magistrates benches are representative of their local area?

Dr. Clark: My hon. Friend makes a pertinent point. When appointing magistrates, one is required to follow the guideline that one should appoint magistrates who reflect the demographic character of the local population, specifically including the political and religious character. I have to say that, within the County Palatine, there has been a considerable imbalance. That cannot be put right overnight, but we need to make great efforts to ensure that we follow the guidelines. To assist, I have tried to ease up the age of initial appointment, and now, not only in the County Palatine but throughout England, initial appointments to the magistrates bench can be made up to the age of 65, instead of there being a cut-off age of 55. Many people have taken early retirement and have the experience and the knowledge to make good magistrates. I urge hon. Members on both sides of the House to submit names to the responsible bodies, to try to ensure that that key feature of our magistracy and our legislative system can flourish.

Freedom of Information (Scottish Parliament)

7. **Mr. Tam Dalyell** (Linlithgow): What discussions he has had with the Scottish Office on freedom of information in a Scottish Parliament. [39796]

The Chancellor of the Duchy of Lancaster (Dr. David Clark): I have had a number of discussions with Scottish Office colleagues as part of the collective consideration of our freedom of information proposals. It will, however, be for the Scottish Parliament itself to determine freedom-of-information arrangements within the areas devolved to it.

Mr. Dalyell: On the non-devolved areas, given the basic nature of members of any parliament, can any of us imagine Members of the Holyrood parliament, of any party, failing to clamour for those extra powers that they think should be theirs by right and then, when they do not get them, blaming the awful "us" at Westminster?

Dr. Clark: We have made it clear that the freedom of information legislation will apply to the reserved powers and reserved legislation held with the United Kingdom Parliament. We have said that it is up to the Scottish people and the Scottish Parliament to decide which freedom of information legislation, if any, they want. There will be nothing to stop the Scottish Parliament adopting the United Kingdom legislation if it feels that that is the right legislation to change the political culture relating to openness and secrecy.

Citizens Charter

8. **Mr. Peter Bradley** (The Wrekin): What representations he has received on his proposals to reform the charter programme. [39797]

The Parliamentary Secretary, Office of Public Service (Mr. Peter Kilfoyle): We are committed to modernising and improving the quality of public services right across the country by focusing on the issues that are most important to the user. As an important step in trying to achieve this, we have consulted widely on the future shape of the charter programme, and have received very positive and helpful responses from a wide range of organisations and individuals.

Our full plans for the new charter programme will be available when it is launched later in the year.

Mr. Bradley: Does my hon. Friend agree that, far too frequently under the previous Government, citizens charters were not worth the paper they were written on? Far from conferring on citizens new and valuable rights, they were too often carefully erected as barriers to keep the public at bay.

Is my hon. Friend aware of the recent research published by the National Consumer Council which found that, of 1,000 public services polled, a third had not acted in response to public consultation that they had conducted and about half were not aware whether the public were happier or less happy with their work since the publication of their charter? Can my hon. Friend advise the House what practical measures the Government will take to ensure that, in future, performance matches the promise of citizens charters?

Mr. Kilfoyle: The NCC report was taken seriously by the charter unit within the Cabinet Office. The NCC and many other organisations have been consulting with us on how we should redraft the charters. I should point out that the problem with the previous Government was that they believed that everything was top down. We are taking a different approach. Our recent consultation elicited more than 270 responses from organisations and individuals. I have consulted service providers at the coal face, from as far north as Edinburgh down to Southampton, to find out what they think charters should be about. We have now introduced, at the pilot stage, the people's panel, to find out what the citizens expect of public services.

EU Bureaucracy

9. **Mr. David Heath** (Somerton and Frome): To what extent he has been able to secure a reduction in EU bureaucracy during the United Kingdom's presidency of the EU. [39798]

The Chancellor of the Duchy of Lancaster (Dr. David Clark): In March, we had a successful presidency conference in Manchester at which we discussed ways in which we could improve European Union regulations and minimise unnecessary burdens on business and citizens. Out of that came a 10-point plan, which has been welcomed by the Internal Market Council.

This is part of an on-going programme to cut red tape. Progress will be reviewed in October at the follow-on Vienna conference under the Austrian presidency. I have today placed in the Library copies of the action plan.

Mr. Heath: I am most grateful to the right hon. Gentleman and commend him for his efforts, but is this not yet another example of the Government entering the British presidency with high hopes and good intentions, but of progress sadly being minimal? Will he establish a timetable so that, beyond the Austrian presidency, there is a clear rationale, to which each member state is committed, behind the reduction of bureaucracy and red tape across the European Union?

Dr. David Clark: I have a great deal of sympathy with the hon. Gentleman's view. At national level, we are trying to move from the heavy-handed approach of the state to light-touch government, which we must achieve if we are to survive as national states in the global economy. Every effort must be made to ensure that the European Union follows the constraints that we have adopted at national level. We clearly could not achieve everything that we wanted within a six-month presidency, so we devised what I thought was a rather cunning plan and persuaded the Austrians, who have the follow-on presidency, to adopt the same theme. We also have the Germans' agreement to carry on for a further six months. I hope that there will thus be an 18-month attempt to cut red tape emanating from Brussels.

Mr. John Bercow (Buckingham): Can the right hon. Gentleman give an example of a reduction in European Union bureaucracy that has specifically resulted from the

application of article 3b of the Maastricht treaty, which covers subsidiarity, or of the protocol on subsidiarity of the treaty of Amsterdam?

Dr. Clark: We are currently working on a complicated issue that affects white electrical goods, which means that such goods in all member states will be compatible.

Public Consultation

10. **Mr. Bill Rammell** (Harlow): What consultations he has had with the general public on issues relating to the delivery of public services. [39799]

The Chancellor of the Duchy of Lancaster (Dr. David Clark): As part of my better government programme, I am keen to look at government from the point of view of the ordinary citizen. Services should be structured to reflect the needs of citizens, not only to suit service providers. We are putting people first in our attempts to modernise and improve public services. We have carried out extensive consultation with the public and have set up a people's panel, the first in the world. The panel will ensure that, instead of trying to assess the judgment of providers, we know the feelings of ordinary users of public services.

Mr. Rammell: I thank my right hon. Friend for that response, and especially welcome the people's panel, which provides an opportunity to involve ordinary people in everyday decisions that affect the delivery of their Government services. How will the needs of older people be considered in the panel, given that circumstances and isolation often prevent their views from being taken into account?

Dr. Clark: Older people are key users of public services. We have recognised the importance of providing joined-up services, which are more accessible and easier to use. Old people find it doubly difficult to queue and queue, and to fill in occasionally unnecessary forms. To simplify that, I have set up the better government for older people programme, which is running across 28 local councils, with the support of Age Concern and the Anchor Housing Trust. In June, I shall also launch "Passport 50 Plus", which is a sort of pensioners charter. It will cover the rights of older people in health care, pensions and benefit, housing, safety and leisure. It is part of the Government's programme to make sure that public services are in line with the needs of our citizens and convenient to them.

Mr. Robert Maclennan (Caithness, Sutherland and Easter Ross): I acknowledge that the Chancellor of the Duchy has done a great deal to assist delivery of services through the steps to which he has referred, but has he, in his consultations, received representations about the importance of sustaining the network of post offices and sub-post offices in rural areas, which are the point of contact for service delivery for many people who cannot afford the high petrol prices in such areas and therefore cannot get to main population centres? Will he help to sustain that network?

Dr. Clark: I am happy to give the assurance that the Government will do all they can to ensure that we protect post offices in both urban and rural areas. With that in mind, we have already installed in a post office in the south-west a kiosk that will allow individuals to conduct a much wider range of public services than those provided purely by a post office. When we publish our White Paper on better government, the right hon. Gentleman will see that we have imaginative proposals which will involve the Post Office in a banking capacity to help in the delivery of services and benefits.

Mr. Edward Garnier (Harborough): What characteristics of the panel entitle it to be called the people's panel?

Dr. Clark: The people's panel will replicate demographically the nature of British society. It will allow us for the first time to assess what services the British people want from the Government. It will also allow us to provide the modern services that the British people expect from a modern Government.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1.[39819] **Mr. David Crausby** (Bolton, North-East): If he will list his official engagements for Wednesday 6 May.

The Prime Minister (Mr. Tony Blair): This morning, I had meetings with ministerial colleagues and others. Later today, together with the right hon. Member for Huntingdon (Mr. Major), I shall pay a visit to Northern Ireland.

Mr. Crausby: I thank my right hon. Friend for that reply. Is he aware that Conservative councils across the country have failed to pass on the £2.5 billion that the Government made available for education, unlike Labour-controlled Bolton council, which delivered the full allocation? In those circumstances, how can he ensure that our children all receive a first-class education?

The Prime Minister: We have provided £835 million in current spending, and £1.3 billion over the Parliament for the school repairs programme. There is a clear difference between Labour councils, which have passed that money on to their schools, and Conservative Essex council, which was given an extra £27 million, but which cut £6 million from its education budget. The answer to the question of how to secure children's education is to vote Labour in the elections.

Mr. William Hague (Richmond, Yorks): May I offer the continuing support of the Opposition for the efforts of the Prime Minister today to secure a yes vote in the Northern Ireland referendum, alongside my right hon. Friend the Member for Huntingdon (Mr. Major) who contributed so much to this historic opportunity? Does the Prime Minister share our grave concern about last week's IRA statement that it had no intention of

decommissioning its arms? In the light of today's reports from Sinn Fein, will he urge Sinn Fein-IRA to sign up to the whole agreement at its meeting this weekend?

The Prime Minister: Yes. As the right hon. Gentleman rightly says, it is important to emphasise that people must sign up to the whole agreement and not to bits and pieces of it. The whole agreement stands as a package, and everyone who says yes to it is saying yes to all the agreement. They cannot say yes to the bits they like and leave aside the bits that they do not like; they must sign up to the agreement in its entirety.

Mr. Hague: May I welcome what the Prime Minister has said in the past about the need for decommissioning to take place before Sinn Fein members can serve as Ministers in the assembly? I also welcome the assurances that he has given in the past about the conditions to be attached to the early release of prisoners. Does he agree that prisoners should not be released early until the organisations to which they belong have substantially decommissioned their weapons?

The Prime Minister: It is essential that any agreement is signed up to in full. The only organisations that can qualify to take seats in the government of Northern Ireland and can expect the early release of prisoners are those that have given up violence for good. I can do no better than to quote the words of the right hon. Member for Huntingdon (Mr. Major), with which I wholeheartedly agree. In his speech today, when referring to decommissioning, he said

> "When sensitive matters such as prisoner release on licence are discussed—for which, as the Government has made clear, there is no general amnesty—the independent Commission, and the Secretary of State, are bound to have regard as to whether decommissioning has taken place."

I agree with that entirely. In other words, there is no general amnesty. There must be an absolute giving up of violence, and it cannot be just a tactical ceasefire for a tactical reason.

Mr. Hague: Again, I welcome the general assurances that the Prime Minister has been able to give. May I urge him to include such provisions in the relevant legislation when it comes before the House? At that time, Opposition Members will argue strongly that the IRA cannot have prisoners released if it does not give up its guns and explosives.

The Prime Minister: Again, I agree with the right hon. Gentleman. It is essential that organisations that want to benefit from the early release of prisoners should give up violence. Decommissioning is part of that, of course, but it goes further. It is not just a question of decommissioning, but a question of making sure, as the agreement says, that there is a complete and unequivocal ceasefire. What is more, there is provision in the agreement for that to be kept under constant review.

What we cannot have, in terms of security for people, is a tactical ceasefire following which organisations whose prisoners have been released return to violence. As I said at the beginning, the agreement must be viewed as a whole package. People cannot buy into bits and pieces of it. I hope that everyone signs up to it, but I cannot make it clearer that, if they do, we expect to hold them to the whole agreement.

Q2.[39820] **Ms Jean Corston** (Bristol, East): I note from my right hon. Friend's engagements that he will not have much time for his family today, which is his birthday. May I wish him many happy returns? May I also remind him, in regard to family policy, that we inherited from the Tories the longest working hours in Europe, low pay and the worst child care? Can he explain how the Government will help parents to do a good job at work and at home—unlike the Opposition, for whom spending more time with their families means getting the sack?

The Prime Minister: I thank my hon. Friend for her congratulations, although I am getting to the age at which birthdays are a matter of regret. I can tell her two important things that we are doing for the family. First, for working families, there is the family tax credit, which will help families on lower and middle incomes. Secondly, for families in which mothers may not be working—but whether or not they are working—there is a 20 per cent. increase in child benefit. Those two concrete measures will help families. Together with the measures on parental leave, they show that the Government are doing our best to let families balance work and family life.

Mr. Paddy Ashdown (Yeovil): Does the Prime Minister agree that for Britain to be implicated in covert sales of arms to Sierra Leone, in direct contravention of UN Security Council resolutions, is wholly inconsistent with any believable concept of an ethical foreign policy?

The Prime Minister: Of course we cannot possibly be in breach of UN resolutions, and that is precisely why the matter was referred to Customs and Excise. I do not want to say more at this stage, but that must be so.

Mr. Ashdown: Of course we must wait for the outcome of any inquiry, but does the Prime Minister agree that for his self-declared concept of an ethical foreign policy to have any validity, any official discovered to be implicated would have to be dealt with in an exemplary manner, and any Minister discovered to be implicated would have to resign?

The Prime Minister: As I said, I do not want to go into what the inquiry may reveal, but of course people cannot possibly deliberately breach UN resolutions, whether they are officials or Ministers. If anyone is found to have done so, disciplinary action will follow.

Q3.[39821] **Mr. Barry Jones** (Alyn and Deeside): Will my right hon. Friend ensure effective co-ordination between providers of nursery schooling and the playgroup movement? Does he agree that the playgroup movement has made a fine contribution to British society over the years, and that it took some heavy knocks because of the nursery voucher scheme? Will the new money that his Government are giving to playgroups help their flagging morale?

The Prime Minister: Yes. The £6 million today will very much help playgroups and others. Of course, they have been badly hit by the nursery voucher scheme.

That is one reason why we have replaced it with provisions that allow proper nursery education for all four-year-olds. We will then begin the task of bringing that to three-year-olds as well.

Mr. Richard Ottaway (Croydon, South): Is the Prime Minister aware that, in 1994, the Labour group on Croydon council pledged not to increase the council tax for the life of that council? He speaks a lot about partnerships between Government and local authorities. Who is to blame for that broken promise: the Labour Government or the Labour council?

The Prime Minister: Croydon council has given excellent value for money to its local residents. The hon. Gentleman knows, of course, that we are within the limits that were applied by his Government when they were in power. However, even within those limits, the services that are being provided by Labour councils, particularly in sectors such as education, are significantly better than those in Conservative councils. That is a matter of fact and another good reason why I hope that people will support their council in Croydon tomorrow.

Q4.[39822] **Mr. Ian Pearson** (Dudley, South): Will my right hon. Friend confirm three incontrovertible facts? This year, the people of Dudley will see, first, £7 million extra going into Dudley schools' budgets, secondly, a £3 million programme of repairs and improvements to school buildings and, thirdly, a £66 million IT project getting under way under the private finance initiative to wire up every school to the internet as part of the national grid for learning. Do not those three facts demonstrate the Government's commitment to education, education and education, and can we have the same again next year please?

The Prime Minister: This is all money over and above what the Conservatives were pledged to spend. It is all going into schools, but I give my hon. Friend the fourth incontrovertible fact: Dudley schools have also benefited from £104,000 over and above Tory spending plans on school books.

Q5.[39824] **Mr. James Gray** (North Wiltshire): Will the Prime Minister join me in sending good wishes to the 2nd battalion of the Royal Gloucestershire, Berkshire and Wiltshire Regiment, which will shortly celebrate its new colours parade at Windsor castle? In doing that, does he agree that the infantry and yeomanry battalions of the Territorial Army provide a disproportionate good to society in terms of both training young people and their town depots, which are the public face of the British Army?

The Prime Minister: I am happy to pass on my congratulations to those people. I hope that they will welcome the outcome of the strategic defence review that is under consideration. I have no doubt that they, like other people within the defence services, will remember the days when a Conservative Government were in power and defence was cut by 30 per cent.

Q6.[39825] **Mrs. Anne Campbell** (Cambridge): Will my right hon. Friend join me in congratulating Cambridge city council, which is Labour controlled, on keeping its council tax increases below the rate of inflation, in contrast with Cambridgeshire county council, which is Conservative controlled, the rate increases of which have gone up by more than three times the inflation rate and which, at the same time, has failed to spend all the extra money that has been allocated to it on education? Will he join me in urging voters everywhere tomorrow to look at those value-for-money issues and, of course, to reject resoundingly the Mickey Mouse economics of the Liberal Democrats?

The Prime Minister: Yes, of course. The fact is that, as we have seen in Essex, with the Conservatives, people get bigger bills with smaller services. I hope that people remember those lessons when they vote tomorrow.

Mr. William Hague (Richmond, Yorks): Does the Prime Minister accept that, for at least two years before Britain joined a single currency, the pound would have to shadow the euro?

The Prime Minister: No, I do not accept that because it is not the case, as the European Commission itself has made clear recently.

Mr. Hague: I am sorry that the Prime Minister cannot accept that requirement, because it comes from the conclusions of last weekend's meeting of Finance Ministers, which was chaired by the Chancellor. The requirement is clear in the statement—which he, as a Head of Government, supported and approved. Now he says that he will not join the euro in this Parliament, and that he will not shadow the euro. Will he give a guarantee that, during this Parliament, he will not instruct the Bank of England to shadow the euro?

The Prime Minister: There is no instruction to shadow the euro, and I have no intention of giving such an instruction. The point that the right hon. Gentleman is making on the exchange rate mechanism is simply wrong. Italy, for example, is being allowed to go forward in monetary union, despite not having been a member of the exchange rate mechanism for two years.

Mr. Hague: Italy joined the ERM in November 1996, and will have been a member of it for two years when the single currency is created. It is no wonder that the Italian Prime Minister said that the Prime Minister was ill prepared for last weekend's meeting. Is it not clear that, to prepare for entry to the single currency, we have to shadow the euro? Will that not entail instructing the Bank of England to target a certain exchange rate, rather than to control inflation in Britain? Is it not clear that that is what the Government will have to do in this Parliament, to enable any Government to enter the single currency early in the next Parliament—as the Chancellor intends, although the Prime Minister is afraid to say so? Is it not time that the Prime Minister—particularly after last weekend's fiasco in Brussels, over which he presided—came clean about his intentions on the matter and told the British people the truth?

The Prime Minister: No. If I may correct the right hon. Gentleman on a point of detail, he was wrong about Italy. The fact is that the two-year period would end in May—which was when the decision was taken. It is,

therefore, wrong to suggest that Italy fulfilled the two-year period. A few weeks ago, the European Commission report made that fact clear. The right hon. Gentleman's other point on shadowing the euro was absolute nonsense, as there is no such requirement. The test of our ability to join monetary union is whether we have sustainable economic convergence—which is judged, although not absolutely, according to the criteria in the Maastricht treaty. Those criteria are taken into account when deciding whether there is sustainable economic convergence. Therefore, his point—that we have to shadow the euro before going into monetary union—is simply wrong.

Mr. Stephen Hepburn (Jarrow): Will the Prime Minister join me in congratulating both staff and councillors at the Labour-controlled South Tyneside council—which was named in Sunday's report in *The Observer* as the best council in the country—on providing the best services and the most efficient management? On behalf of those very hard-working staff and councillors, will he also ask for an apology from the leader of the Liberal Democrats, who, on a recent visit to south Tyneside, openly criticised how the council was run? Does not the council's success show what we have always known: that the Tories have never been able to run local government; that the Liberal Democrats will promise the earth but deliver nothing in local government; and that only Labour-controlled local government provides the type of services that the people not only need, but expect?

The Prime Minister: The lesson is absolutely clear: if people want both prudent finance and decent public services, vote Labour tomorrow.

Q7.[39826] **Sir Robert Smith** (West Aberdeenshire and Kincardine): Will the Prime Minister also congratulate Aberdeenshire council, which has the great fortune not only of not having an election tomorrow, but of not having a single Labour councillor on the council? On a more serious point, does the Prime Minister recall that, on 25 February, he said that he wanted to see the benefits—especially the jobs—that come from investment in the oil industry? Does he realise how dependent the economy not only of Aberdeenshire, but of the rest of the country is on investment in the oil industry? Does he realise also that one thing that anyone making an investment decision would like to have is some certainty in planning for the future? As the Government have indicated a wish to take more tax out of the industry—but have not yet said how they will do so, and seem to be delaying publication of their consultation on the matter—will he give some assurance to the industry that he realises that stability is crucial in getting money and investment into the economy of the north-east?

The Prime Minister: The oil industry currently has an enormously favourable tax regime. However, we are well aware of the importance of oil companies to investment in the hon. Gentleman's region. I think that oil companies probably welcome the fact that there will be consultation on the new regime—that we have not simply implemented it without consultation, but are saying that there should be proper consultation before it is implemented. The hon. Gentleman will find that most companies welcome that consultation rather than decry it.

Q8.[39827] **Ann Clwyd** (Cynon Valley): I am sure that my right hon. Friend shares the anguish and concern felt by the British public when they see the children of Sudan dying on television before their eyes. The immediate concern is no longer that of access, according to UNICEF to which I spoke this morning, but the shortage of food, the shortage of money to buy supplies and the shortage of aeroplanes. Thousands of children are at immediate risk. Cannot we do more to help them?

The Prime Minister: The situation in Sudan is a great tragedy. It has come about as a result of the long-running civil war, which has resulted in food shortages and drought. My right hon. Friend the Secretary of State for International Development has announced a £4 million pledge towards the 1998 United Nations appeal for Sudan. More than £800,000 has already been provided to the Save the Children Fund, and £200,000 has been given to UNICEF's nutrition programme for Sudan. A further £1.25 million has been allocated through the European Communities programme. As we hold the presidency of the European Council, we have issued a statement urging all parties to the talks to adopt a positive attitude and come to an agreement. In the end, it is only if there is a ceasefire in place that this aid can get through and we can start to rebuild the shattered lives of the people in that region. No one who has seen the pictures and the tragedy of what is happening can be anything other than deeply alarmed and concerned. That is why we are trying to get more money to the region and also trying to make the diplomatic moves necessary to establish the ceasefire.

Q9.[39828] **Mr. Julian Brazier** (Canterbury): The Prime Minister will be aware of the concern expressed in all parts of the House and in the House of Lords about the proposals to downgrade the Territorial Army. Will he consider America, Australia and some of the other countries with which he is familiar, and note the greatly increased role that they have found for their citizen combat forces? May I suggest that there is more at stake than just the essential pride that communities feel in their own territorial forces, and that also at stake is this country's ability to regenerate a substantial force in the event of an unforeseen conflict?

The Prime Minister: I have to say that the hon. Gentleman's party was responsible for cutting the Territorial Army considerably. Of course we understand the importance of the Territorial Army. It obviously has a key role to play, but it should be a role fit for the modern world. That is why the strategic defence review is under way. It is considering all our defence forces and how they best fit into the strategic demands of the modern world. I hope that the hon. Gentleman will save his comments until we publish that review. I think he will find that, unlike the previous Government who simply cut the defence expenditure and forces—and cut them savagely—we are trying to make sense of modern defence forces and a foreign policy for the modern world.

Q10.[39829] **Mr. Andrew F. Bennett** (Denton and Reddish): Given that many of Britain's beaches are still

badly polluted with sewage, that raw sewage regularly finds its way into our rivers, that untreated sewage is still spread on farmland and that the water companies have made massive profits in recent years, will my right hon. Friend give a clear instruction to the water regulator that we want these environmental problems fixed, and fixed quickly, and that the water companies can do that without putting up their prices?

The Prime Minister: The Director General of Ofwat is currently examining how best to ensure that the investment is forthcoming without harm to consumers, and we are spending £2 billion bringing bathing water up to the EU average. However, it is important to make sure that any investment has a significant and direct impact, and that it has it quickly. That is precisely why my right hon. Friend the Deputy Prime Minister is making sure that the water companies and local authorities are working closely together on that.

Mr. Christopher Gill (Ludlow): Is the Prime Minister aware that the Italian gross domestic product, as published by the International Monetary Fund, incorporates the underground economy, which is by definition unmeasurable, so Italy's debt to gross domestic product ratio is false, misleading and grossly understated?

The Prime Minister: The matter was investigated by the European Commission and the European Monetary Institute, which both found in favour of Italy being allowed to join monetary union. The Conservative party, however, should be a little more honest with itself—or at least the part of the Conservative party that is opposed to Europe. It is opposed to the euro under any conditions and, truthfully, it is opposed to any country being in the euro. It is opposed to Britain being in the euro on any basis. Some nod, some shake their heads. That is the Tory party. The criticisms of people such as the hon. Gentleman, who in truth are viscerally opposed to everything European, do not carry a great deal of weight with me or anyone else.

Q11.[39830] **Mr. Derek Twigg** (Halton): Will my right hon. Friend join me in congratulating my local borough council, which has set the second lowest council tax in the north-west and ensures that the extra money that it has been allocated for education goes to schools? Unfortunately, we do not have annual council elections this year, but there is a by-election. My right hon. Friend may be surprised to know that the Conservatives have been unable to find a candidate to fight that seat. Is it a case of Tory incompetence or is it pure surrender?

The Prime Minister: The Conservatives are not putting up a candidate for more than 240 council seats. That may be a wise, strategic judgment on their part. However, it is important to emphasise again that if people want the money given to local authorities for education to go to schools, the record shows that Labour councils get that money to the schools and Conservative councils do not.

Mrs. Theresa May (Maidenhead): Does the Prime Minister agree with the Treasury Select Committee that it will take at least five years to assess whether the Government's own economic tests for participation in a single currency have been met?

The Prime Minister: No, I do not agree with that. The judgment as to when the economic criteria are met is best made without reference to any arbitrary time, but according to the tests that my right hon. Friend the Chancellor set out some time ago. In the end, there are two questions to be decided in respect of monetary union. The first is whether there is an absolute constitutional barrier. I do not know what side of the argument the hon. Lady is on, but we say that there is not. The second is whether, in economic terms, it is good for British jobs, investment and industry. That is the test that we will apply and it is an economic test. It would not helped by having to be applied at some arbitrary date; it has to be applied according to our national economic interest.

Q12.[39831] **Mrs. Janet Dean** (Burton): Will my right hon. Friend congratulate a group of parents in my constituency on successful establishing Leo's out-of-school club, which will greatly benefit the area? Will he do everything possible to ensure the establishment of more out-of-school clubs, to provide good, safe care for children and increase the opportunities available to their parents?

The Prime Minister: Yes. The Government have set aside £300 million precisely to boost the number of after-school clubs. We hope that over the next few years, some 30,000 more will come into being as a result of the Government's policies. After-school clubs allow children to be better educated and families to balance better the responsibilities of work and family life. I am delighted that my hon. Friend has recently opened one of those clubs in her constituency.

Mr. Richard Allan (Sheffield, Hallam): Is the Prime Minister aware of the commitment made by the Deputy Prime Minister that next year, the Government will pick up the cost of the debt to the South Yorkshire supertram, which ran up because of the failure of the previous Government to meet their commitments? What assurance can he give the people of South Yorkshire that, unlike the previous Administration, his Government will stick to their promises?

The Prime Minister: The position—I have just checked with my right hon. Friend the Deputy Prime Minister—is that he will meet the representatives of the local authority to discuss the issue. Obviously, we cannot give a commitment until that discussion has taken place. However, as the hon. Gentleman will know, we are having to clear up the absolute mess that was left by the previous Administration. We shall do the best that we can in conjunction with the local authority.

Q13.[39832] **Mr. Gordon Prentice** (Pendle): My hon. Friend the Minister for Public Health told the House less than two hours ago that fluoridation of the water supply can cut dental decay by between one third and one half, and that all 55 applications made by health authorities since 1985 to fluoridate the water supply have been turned down by unelected water companies. I have a meeting

with my local dentists on Friday to discuss the politics of dentistry, and it would be helpful if I could tell them the Prime Minister's views on fluoridation.

The Prime Minister: First, I congratulate my hon. Friend on finding a national health dentist after 18 years of the Conservatives being in power. Secondly, there is strong evidence that water fluoridation can reduce tooth decay, but our public health White Paper will set out our intended framework for fluoridation, which will be based on extensive consultation. Local consultation is carried out as a compulsory part of any new scheme to add fluoride to water. My hon. Friend asked me for my personal opinion. I cannot pretend to be an expert on the matter, but from what I read, it seems to be better, rather than worse, for people's health.

Mr. Martin Bell (Tatton): Will the Prime Minister consider the advantages of a free vote on the predatory pricing of newspapers, so that hon. Members who do not want to vote for the commercial interests of Mr. Rupert Murdoch need not do so, and, disregarding their pagers for a while, can enjoy a vibrant democracy rather than a vibrating one?

The Prime Minister: The Competition Bill will bring our law into line with that in Europe. It will allow us, for the first time, fully to investigate predatory pricing. We have repeatedly said why we opposed the amendment tabled in another place—it would mean that newspapers would not be able to compete against each other at all. That would not be sensible. Most hon. Members now accept that that amendment is not the best way forward. We must bring our legislation into line with that in Europe; that is what the Bill will do and I am sure that hon. Members will support it.

Sierra Leone (Arms Sales)

3.31 pm

Mr. Michael Howard (Folkestone and Hythe) (*by private notice*): To ask the Secretary of State for Foreign and Commonwealth Affairs whether he will make a statement on reports concerning British arms sales to Sierra Leone in breach of the United Nations arms embargo.

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): I am grateful to the right hon. and learned Gentleman for his question and I welcome the opportunity to inform the House of the action being pursued by the Government to ensure that the allegations to which he refers are fully investigated.

At the request of the Foreign Office, Customs and Excise is conducting an investigation into whether arms were supplied to Sierra Leone in breach of the UN embargo. The chairman of Customs and Excise has requested that while that investigation proceeds, nothing should be said that could prejudice it. I have made it clear throughout my Department that I want every assistance provided to the investigation, and I have no intention of saying anything that could prejudice its successful completion. Nor would I wish to say anything that might prejudice the rights of defendants in any future court case.

Those constraints are necessary and every Member of the House will recognise that I have a duty to observe them. But I am able, within that limitation, to outline to the House the events leading up to the investigation and the subsequent conduct of the issue in the Foreign Office.

I shall first set out the background to the allegations. In May 1997, President Kabbah, the democratically elected leader of Sierra Leone, was deposed in a military coup. In October, the UN Security Council passed resolution 1132, which imposed an arms embargo on Sierra Leone. It was promptly implemented in this country by an Order in Council prepared by the Foreign Office. Earlier this year, President Kabbah was restored to power in Sierra Leone with the assistance of military forces from the region.

In February, Lord Avebury wrote to an official in the Foreign Office reporting allegations that arms had been flown from Bulgaria to supply forces loyal to President Kabbah by arrangement through Sandline, a British company. The letter was drawn to the attention of our legal advisers, and on 10 March, the Foreign Office formally advised Customs and Excise of the allegations, with the suggestion that it commence an investigation. Foreign Office officials have since co-operated fully with the subsequent investigation, and Customs and Excise has full access to all relevant Foreign Office papers and officials.

I was first informed of the Customs and Excise investigation on the evening of 28 April by a special adviser who had a noted a letter to me from Sandline's solicitors. The next day, I minuted the permanent secretary, stressing the importance that I attached to full and open co-operation with the Customs and Excise investigation.

The private office of the Minister of State, Foreign and Commonwealth Office, who has responsibility for Africa, my hon. Friend the Member for Manchester, Central (Mr. Lloyd), received copies of papers on the customs investigation in early April, and they were shown to him for noting in mid-April. However, he was not fully informed of the allegations made by Sandline of Foreign Office contact until Friday 1 May. At no point was any ministerial approval given for the activities of Sandline. Nor was there any ministerial discussion of the activities of Sandline, or any meeting between Ministers and Sandline.

Sandline's allegation that it had approval for its activities from a member or members of the Foreign Office staff is—I believe—part of the customs investigation. We have been requested by Customs and Excise not to hold any investigation of our own while its investigation continues. However, I assure the House that I am determined to establish the full facts. I can therefore announce that it is my intention that, as soon as Customs and Excise is in a position to agree, I shall invite a person from outside the Foreign Office and the diplomatic service to carry out a full investigation. The report of that investigation will, of course, be made public. In the meantime, I commend Foreign Office officials for their prompt action in drawing the allegations to the attention of Customs and Excise and for initiating the investigation.

This Government have consistently supported the legitimacy of the United Nations. This Government abide by the resolutions of the Security Council and are committed to the rule of international law. I assure the House that we have not, and we will not, condone any breach of international law.

Mr. Howard: I am grateful to the Foreign Secretary for his reply and his assurance that there will be an independent inquiry into the matter and that the report of that inquiry will be published in full. It is essential that the whole truth of the murky affair should be exposed to public view and that appropriate judgments can be made and appropriate action taken.

The Foreign Secretary told us that the first he knew about the matter was when a letter from Sandline was drawn to his attention on 28 April. Can he tell us the date of that letter? Will he tell us a little more about the debate in which the Minister of State, Foreign and Commonwealth Office, the hon. Member for Manchester, Central (Mr. Lloyd) took part in the House on 12 March after, according to the Foreign Secretary's account, his officials had decided to ask Customs and Excise to conduct an inquiry into the matter? Why did the Minister of State, who had clearly been briefed on the matter in order to speak in the debate on 12 March, not refer to that inquiry?

Is the Foreign Secretary seriously telling the House that Foreign and Commonwealth officials had asked Customs and Excise on 10 March to conduct an inquiry, but told the Minister of State nothing whatever about it before he came to the House for a debate on 12 March? Is it seriously suggested that they did not inform him of their request? If that is so, does not that indicate that Foreign and Commonwealth Office officials are wholly out of control? Is that not an utterly unacceptable state of affairs? Can the Foreign Secretary give us some assurance now of the action he will take if what must be the case, on the

basis of the account he has given this afternoon, is ultimately proved to be so by the independent inquiry that he has assured us he will set up?

Mr. Cook: I am grateful to the right hon. and learned Gentleman for what I understood was his welcome for my announcement. As to the letter from Sandline, I speak from memory, but, if I recall rightly, it was 24 April. [HON. MEMBERS: "Here is the answer."] I see that this note tells me that my memory is correct—it was 24 April. I am grateful to hon. Members for pointing out the prompt note, but I did not need it. It is probable that I would have heard about the matter on the Monday; except that, on the Monday and Tuesday—as the right hon. and learned Gentleman is aware—I was in Brussels. The difference between 24 and 28 April is a perfectly narrow period of time.

The right hon. and learned Gentleman asked a serious question about the debate in the House on 12 March. That is a matter of deep concern to me, and of proper concern to the House. I answered the right hon. and learned Gentleman's question by saying that the Minister of State first heard about the Customs and Excise investigation in mid-April. It is unsatisfactory that he was put at the Dispatch Box in Parliament to speak to the House without being informed that a Customs and Excise investigation had been requested on 10 March. That was unfair to the Minister of State and unfair to Parliament. That will most certainly form part of the independent inquiry which I have announced.

The right hon. and learned Gentleman asked, breathtakingly, what action I will take. It would be quite wrong of me to prejudge what the independent inquiry might find or what action will follow, but I can assure him that we are determined to get at the facts and that the facts will be followed by necessary action.

Mr. Donald Anderson (Swansea, East): To put the matter in perspective, would not any attempt by any person to compare this matter with arms for Iraq be totally absurd, not only because of the immediate, prompt and positive response of the Foreign Secretary in setting up an independent inquiry, but because the aim was not to support a dictatorial regime with arms which could be used against our own troops, but to seek the re-establishment of a democratically and internationally recognised president?

Having said that, on 10 March my right hon. Friend's officials referred this matter to Customs and Excise for investigation. There is surely a fairly simple point at issue here which could be easily ascertained. Can my right hon. Friend say whether, between 10 March and now, it has been drawn to his attention whether a licence for the export of those arms was issued? If that could be done orally, is there any minute in the relevant Department to suggest that an export licence had been issued, as has been said today by Mr. Slowe, the solicitor acting on behalf of Sandline?

Mr. Cook: No licence was given for the export of any arms; nor is there an allegation that any arms were shipped from Britain. The allegation is that they were shipped from Bulgaria, but that the contract may have been arranged by a British company. If the allegations are correct—I am not in a position to say whether they are—that gives rise to an offence within Britain under the terms of the UN resolution. That is why we are treating the matter with great gravity, but there has been no suggestion of either arms being shipped from Britain or any licence being approved for such a shipment.

As to any comparison with Matrix Churchill, the central problem there was the way in which the then Ministers sought to cover up what had happened and their own involvement. By contrast, we are being full and open in co-operating with an investigation which we ourselves have requested.

Mr. Menzies Campbell (North-East Fife): I commend the Foreign Secretary on his decision to establish an independent inquiry in due course. He referred in passing to the Scott inquiry. He will recall not only that Lord Justice Scott found that the House had been deliberately misled, but that when that finding was made, the Cabinet of the then Government declined to accept the finding of the independent inquiry that they had established.

Does the right hon. Member agree that for the independent inquiry which he proposes, there are four substantial and important questions? First, was there any breach of UN Security Council 1132? Secondly, has there been a contravention of domestic criminal law? Thirdly, is there any Foreign Office implication at any level? Fourthly, why were Ministers not informed much earlier than was the case in the account of events that he has just given the House?

Do not those matters and the answers that the Foreign Secretary has given to questions underline yet again the need for parliamentary scrutiny of arms exports through the medium of a Select Committee of the House of Commons?

Mr. Cook: We are, of course, committed to greater openness on the export of arms, and that is why we are committed to an annual report on strategic arms exports, the first of which we will be launching shortly. While I understand the hon. and learned Gentleman's concern and would not disagree with the general thrust of what he said, he is wide of the mark in this case, because there is no suggestion that arms were exported from Britain or any licence was given, or indeed, that any decision taken by the British Government is relevant.

The hon. and learned Gentleman asked four relevant questions and he will appreciate that the first three are entirely matters for the criminal investigation and it would not be proper for me to comment on them. The fourth is certainly an issue that must be central to the independent inquiry that will follow the customs investigation.

Mr. Michael Clapham (Barnsley, West and Penistone): My right hon. Friend will be aware that the previous Government referred the British Manufacturing and Research Company, BMARC, to the Select Committee on Trade and Industry. Unfortunately, that Committee did not have the resources to get to the bottom of the matter. Therefore, will he ensure that the independent investigation has the resources and has access to the documentation to get to the bottom of this matter?

Mr. Cook: I assure my hon. Friend that any independent person we appoint to carry out that investigation will have the full run of Foreign Office files and officials—I would not expect a person of seniority

[Mr. Cook]

and independence to accept the post on any other basis. I also assure the House that those files and officials are also currently available to the customs investigation, which we are giving full, active and open co-operation.

Mr. Douglas Hogg (Sleaford and North Hykeham): Does the right hon. Gentleman understand that his statement to the effect that he welcomes the opportunity to inform the House of the facts would carry greater credibility had he volunteered a statement and not been brought here pursuant to a private notice question? He said that a report is to be published, and that is good news. Will he also undertake to publish the reporting telegrams received during the relevant period within the Foreign Office and all papers to Ministers during that period?

Does the right hon. Gentleman also understand the incredulity with which his remarks have been received? Assuming that what we have been told by Ministers is true, apparently they did not know what went on between Sandline and the Commissioner, and did not know until recently about the Customs and Excise inquiry. Apparently, the Minister of State was not briefed before his appearance before the Select Committee yesterday. Is not the truth that Ministers have lost control of their own Department?

Mr. Cook: I find the right hon. and learned Gentleman's remarks about incredulity deeply offensive, because they are tantamount to accusing me of deceiving the House. I assure him and other hon. Members that everything that I have said is factually, precisely, correct, and that will be borne out by any independent inquiry, which is why I will welcome its publication. It is, of course, for that independent investigation to decide which files are relevant to the future publication. It is a bit rich of the right hon. and learned Gentleman to invite me to appoint an independent investigation and suggest which papers it should publish.

Ann Clwyd (Cynon Valley): I ask my right hon. Friend to confirm that, unlike what happened under the previous Government, no public interest immunity certificates are being, have been, or will be signed by any Ministers in his Department?

Mr. Cook: I have already notified the permanent secretary that I am not willing to sign any public interest immunity certificate in any future court proceedings on this matter.

Sir Peter Emery (East Devon): Does the right hon. Gentleman realise that as Customs and Excise does not report to the Foreign Office and presumably will not have any powers to interview Foreign Office Ministers or require them to attend any inquiry, one must consider that its inquiry is secondary to getting to the real basis of the problem? As that inquiry has supposedly being going on for six or eight weeks, is it not really the case that the matter is important enough for him to start the Foreign Office inquiry right away and to ensure that it has full powers to see all Ministers and really get to the bottom of the matter before it is whitewashed away and forgotten?

Mr. Cook: There will be no whitewash. The right hon. Gentleman would be the first to condemn me if I were now to take action that would prejudice the customs investigation against the specific request of the chairman of the Customs and Excise—I cannot think of a more irresponsible step that any Minister of the Crown could take. I should disabuse the right hon. Gentleman of his belief that Customs and Excise does not have the right to summon me or any other Minister to appear before it—it most certainly has that right, and we should willingly appear if requested.

Mr. Dennis Skinner (Bolsover): Does my right hon. Friend agree with me about what the Tories are up to? They are trying to give the impression that—despite the fact that he has come to the House to explain everything—he is similar to the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), who was up to his neck in BMARC and the rest of it, and to all those serried ranks who hid behind the arms to Iraq. Unlike them, my right hon. Friend has done the right thing. It is pretty clear to me that the hooray Henrys in the Foreign Office who went to public schools—the same belly of the establishment from which Conservative Members come—caused the problem that we are discussing. The Tories are trying to make a seven-course dinner out of a pan of boiling water.

Mr. Cook: I think that I can go along with the first part of my hon. Friend's question. He is plainly right to contrast our response to this matter, which has been vigorous and open, with that of the previous Administration to other scandals. One of the differences is that we accept that the issue is serious—the performance of Ministers in the previous Administration was undermined by the fact that they denied that the issues that they faced were serious. I accept that if there has been a breach, that is a very serious matter which must be fully and openly investigated so that the full facts can be established.

Mr. David Wilshire (Spelthorne): Yesterday, the Minister of State told the Foreign Affairs Select Committee that he first knew of the Customs and Excise inquiry on Friday 1 May. This afternoon, the Foreign Secretary has told us the Minister of State first knew about the matter when he was shown correspondence in mid-April. Which version of events is correct?

Mr. Cook: The House would expect me to give the correct version, as I have. What I told the House today follows full investigation of the paper trail and consultation with my hon. Friend the Minister of State, who entirely agrees with what I said. The essential burden of what he said to the Select Committee yesterday was absolutely correct—he was first fully informed of the allegations by Sandline of contacts with the Foreign Office last Friday, when he went through all the papers. That is the truth of the case, as I have stated in the House this afternoon.

Ms Diane Abbott (Hackney, North and Stoke Newington): Is the Foreign Secretary aware that, House of Commons knockabout aside, the real issue is the tragedy of Africa post-empire? Some of the reasons for the chaos, the war and the suffering have been precisely what we are discussing—arms dealing, gun running and the fact that some western Governments have cynically

interfered for commercial ends. Labour Members welcome the independent inquiry and the fact that its findings will be published, as there is a serious underlying issue.

Mr. Cook: I agree with my hon. Friend and welcome her support for my announcement today. If we hope to restore stability and to avert conflict in Africa and elsewhere, we should all keep very much in focus the importance of upholding the legitimacy of the United Nations. We can do that only if we take seriously compliance with UN Security Council resolutions.

Mr. Peter Bottomley (Worthing, West): The Foreign and Commonwealth Secretary has told us what he finds offensive in some of the questions, but I ask him to go back to the beginning of his statement and tell us the purpose of the United Nations resolution on Sierra Leone and whether the UN backed Nigerian intervention. Will he stop washing his hands and start defending people in his Department who are doing what they believe Ministers want in accordance with UN aims?

Mr. Cook: There was no Government policy or UN support for military intervention to restore President Kabbah. Resolution 1132 and consistent ministerial statements on Sierra Leone stressed that we supported President Kabbah, but wanted him to be restored through diplomatic negotiation, not military intervention. The hon. Gentleman is wildly out of touch with reality if he suggests that a breach of a UN Security Council resolution that we ourselves voted for was somehow going along with ministerial policy.

Mr. Robin Corbett (Birmingham, Erdington): May I welcome what my right hon. Friend said about not using public interest immunity certificates and remind him that the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), who asked the question, and the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) were among those queuing up to authorise such certificates in the case of arms to Iraq? Does not the whole affair underline the need for the Government to renew their efforts to get agreement among those who seek to sell arms materials to other countries?

Mr. Cook: I entirely agree. I am pleased to report that we are nearing agreement on a European code of conduct and that, more immediately, at the forthcoming summit of the G8 nations, we will pursue a British initiative to try to get a grip on the illicit trade in small arms, to which the present example may come rather close.

Mr. Edward Garnier (Harborough): The Foreign Secretary told us that Lord Avebury wrote to the Foreign Office in early February. When did the noble Lord receive a reply, and which Minister signed it?

Mr. Cook: Lord Avebury's letter was not to a Minister but to an official, and he received a reply from that official on 26 February.

Mr. Mike Gapes (Ilford, South): I strongly welcome my right hon. Friend's swift action. Will he point out to the public the clear distinction between the restoration of a democratic Government in Sierra Leone and the illegal arming of a fascist, expansionist dictatorship in Iraq that took place under the previous Government? The then Government spent eight years trying to cover up the fact that people in this country were involved in arming that regime.

Mr. Cook: My hon. Friend is right to draw a distinction between the outcomes, but no hon. Member should understate the gravity of a breach of a Security Council resolution, if, indeed, that is what happened. The real distinction between the conduct of the previous and present Administrations is that they sought to cover up what happened and we are trying to be frank and open about what happened.

Mr. Nicholas Soames (Mid-Sussex): The Foreign Secretary clearly takes this matter very seriously. Does he acknowledge that this is undoubtedly a humiliation for an ethical and open foreign policy? Will he confirm that the investigation will include contacts, correspondence and telephone messages between the Ministry of Defence and the Foreign and Commonwealth Office and between the Department of Trade and Industry and the Foreign and Commonwealth Office, if such contacts took place? Will he further confirm that, in line with the Government's absolute commitment to open government, all the documents will be published and placed in the Library?

Mr. Cook: I can certainly confirm that all papers that are held in the Foreign Office are available to customs for investigation. I cannot speak for other Ministers or Ministries, but it is not my view that there are substantial files on the matter elsewhere. The hon. Gentleman may be suggesting that there was some discussion about an export licence, but there was no such discussion; there was no export of arms from Britain and no licence was sought from Britain.

I cannot accept the hon. Gentleman's contention that this is a humiliation for the principles that we have been pursuing. This is a case in which there may well have been a breach of a Security Council resolution and a breach of the law of Britain as a result of the Order in Council that we introduced, and we are determined to pursue the matter and ensure that it is carried through to a successful conclusion.

Dr. Nick Palmer (Broxtowe): Some of my hon. Friends have been critical of Opposition Members who have expressed incredulity, but should not we be fair to them and recognise the fact that, over the past 18 years, they have become accustomed to government by cover-up, and it is difficult for them to adjust to a Government who are committed to openness?

Mr. Cook: I do not think that I can improve on my hon. Friend's point by seeking to add to it.

Mr. David Maclean (Penrith and The Border): In addition to the public inquiry investigating the extraordinary state of affairs whereby no officials in the Foreign Office drew the scandal to the Foreign Secretary's attention, despite his protestations about an ethical foreign policy, will an independent inquiry investigate why when the Minister of State was first alerted to the matter, he apparently did not discuss it with

[Mr. David Maclean]

the Foreign Secretary either? It is an extraordinary state of affairs when Ministers do not seem to discuss such matters, and the Foreign Secretary first learns about such a problem in a tip-off from a political adviser.

Mr. Cook: Special advisers are paid to draw matters to my attention, and that is what one did on this occasion. It is extraordinary that the right hon. Gentleman should describe the way in which one of them fulfilled his job as a "tip-off". I have seen the papers that the Minister of State saw in mid-April, and there were no grounds for concern in them, in that they did not outline the nature of the Sandline allegations, which are serious and which we are pursuing seriously.

Mr. Keith Simpson (Mid-Norfolk): The question is one of competence. I remind the House that, last week, when the Foreign Secretary had to come here to make a statement about Kosovo, and I asked him about the presence of British troops on exercise in Macedonia, he said that he did not think that there were British troops in Macedonia. He then had to have a note passed from his officials saying that British troops were there, and he graciously apologised. I thought at the time, as did many hon. Members on both sides of the House, that it was rather strange that the Foreign Secretary did not know that crucial fact connected with a crisis.

Secondly, as my right hon. Friend the Member for Penrith and The Border (Mr. Maclean) said, it was a special adviser who came across the truth. I agree with the Foreign Secretary that that was good for the special adviser—but I am afraid that it does not answer the question, which was why the highly paid officials within the Foreign Office did not present that information to the Foreign Secretary. Is he completely out of touch with British foreign policy?

Mr. Cook: It is not British foreign policy to supply weapons in breach of Security Council resolutions. That is exactly the policy which I expect my officials to pursue. As for the other matter that the hon. Gentleman raised, I am not the first, and I will probably not be the last, Minister at the Dispatch Box to have a note passed to him by officials.

Mr. Tony Baldry (Banbury): Clearly, the Foreign Secretary is not insensitive to the fact that a serious allegation has been made against the Foreign Office—that its officials co-operated in some way with Sandline. That allegation has enabled people such as the hon. Member for Bolsover (Mr. Skinner) to make fun of the Foreign Office, which is not good news either for the Foreign Office or for the United Kingdom in general.

The right hon. Gentleman's statement was rather unfair on Foreign Office officials, because it leaves them in something of a limbo. I do not understand why he has not instructed the permanent secretary to conduct inquiries within the Foreign Office as a matter of urgency, and ask all the relevant and appropriate officials what contact, if any, they had with Sandline.

It seems extremely unfair on all those involved that the matter should be left as a matter of speculation and deliberation until Customs and Excise, magically, seems to have concluded its investigations. There must have been telegrams from Sierra Leone and intelligence reports, and all such things are capable of being comprehended in a reasonably short period.

Mr. Cook: The reason why I have not instructed the permanent secretary to carry out the investigation that the hon. Gentleman requests was spelt out in my statement: we were specifically requested by Customs and Excise not to make an investigation.

Mr. Baldry: Who runs the Foreign Office—Customs and Excise or the Foreign Secretary?

Mr. Cook: Customs and Excise is the criminal investigating branch in that area. It is important that neither the Foreign Office nor Members of the House do anything to prejudice the investigation—and I do not think that the hon. Gentleman and his hon. Friends would be among the first to congratulate me were I to do any such thing. Therefore, no investigation has been carried out; but I have given a commitment that there will be a full and independent investigation afterwards.

I shall respond to the hon. Gentleman's other point—*[Interruption.]* The hon. Gentleman might at least do me the courtesy of listening to my reply. I stoutly resist the claim that I have made any allegations against officials in the Foreign Office. We are taking seriously, as we are bound to, the allegations made by Sandline, but I caution the hon. Gentleman that the fact that allegations against officials have been made by Sandline does not necessarily mean that they are true.

Mr. Douglas Hogg: On a point of order, Madam Speaker. I am not a particularly sensitive flower, as I think you know, but I should like to say something about the allegation made against me by the hon. Member for Bolsover (Mr. Skinner).

Madam Speaker: The right hon. and learned Gentleman is seeking an extension of the private notice question. He has been here long enough to know that a point of order must be something that concerns me and on which I can give a ruling.

Mr. Wilshire: On a point of order, Madam Speaker.

Madam Speaker: Order. I am dealing with one from the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg).

Mr. Hogg: The suggestion was that I was up to my ears in BMARC. You, Madam Speaker, know that Members of Parliament are under a duty to look after the interests of their constituents; BMARC was a constituent of mine and my only dealings with BMARC took place within that context. There has never been any allegation made against me, other than by the hon. Member for Bolsover. So clear was that fact that, to the best of my knowledge, the Select Committee on Trade and Industry never made any inquiry of me.

Madam Speaker: When the hon. Member for Bolsover was making the comment, I noticed that the right hon.

and learned Gentleman had an amused look on his face. I know full well that he has a sufficiently robust presence in the House to give as much as he takes.

Mr. Wilshire: On a point of order, Madam Speaker. I apologise for interrupting the previous point of order. I rise to seek your guidance on the procedures of the House. When a Secretary of State comes to the House and makes comments that are contradictory to evidence given by one of his junior Ministers, as has happened this afternoon, what procedures does the House have to get the Minister of State to come to the House and explain why he said what he said yesterday?

Madam Speaker: That is not a matter for me. The hon. Gentleman might like to talk to his own Front Benchers or to the usual channels. It is a question for debate, not a matter for me.

Protection of Animals (Amendment)

4.5 pm

Dr. Nick Palmer (Broxtowe): I beg to move,

That leave be given to bring in a Bill to provide for the cost of keeping an animal pending a court case to be met; and for connected purposes.

The purpose of the Bill is a simple one and broadly uncontroversial. The problem is that when a farmer is accused of neglecting animals in his or her care, usually because of financial difficulty, it is customary for a court prosecution to be undertaken and for the animals to be given for the duration of that prosecution into the care of the Royal Society for the Prevention of Cruelty to Animals, a local authority, or some other body. The difficulty is that the animals have to be kept and maintained throughout the duration of the court case, which may last a considerable time, during which the animals may die of old age, or become relatively elderly and relatively valueless at market.

That is not in the interests of the RSPCA or local authority, because they bear the full cost of looking after the animals, but have no prospect of recovering the money. It is not in the interests of the farmer who has been accused of neglect, whether or not he is successful in defending the case, because he will find that when the case is over the value of the animals has largely disappeared. It is not in the interests of the animals themselves, because it becomes increasingly difficult to find bodies willing to take over their care, sometimes at very short notice.

Let me give two recent examples. In the first, the RSPCA was asked at short notice to look after 10,000 broiler chickens that were in a half-starved state, many of which were already dead or diseased. In the second case, a farmer was threatened with his electricity being cut off if he did not pay his bill immediately, which he could not afford to do. Cutting off the electricity would have endangered his entire herd of 3,500 pigs.

The Bill has been discussed jointly with the RSPCA, the National Farmers Union and civil servants at the Ministry of Agriculture, Fisheries and Food. It proposes that the court, after hearing about the veterinary and commercial implications from whoever wishes to give evidence, should have the power to order that the animals be sold to a farmer who is better able to look after them and that the proceeds should, first, be used to cover the reasonable costs of whatever body looks after the animals and, secondly, go to the farmer, who might in that way be able to stave off the bankruptcy that threatens him.

The measure involves only a small modification to the existing procedure. Usually, at the end of the court case, the animals will be sold and the proceeds used in the way I have described. Under my Bill, rather than wait until the end of the court case, when the animals may be worth much less, the sale should be able to take place at an earlier time if the court so determines.

The measure has broad cross-party support and was discussed with the Ministry of Agriculture, Fisheries and Food before the general election. At that stage, the RSPCA received some initial encouragement, and I am glad to say that Ministry officials have continued to be encouraging. I am hopeful that, in due course, the Bill will receive Government support. The list of sponsors reflects its broad support.

[Dr. Nick Palmer]

The measure is in the interests of the body that looks after the animals, the farmer who is threatened with bankruptcy and the animals involved. I am aware that I have 10 minutes, but this is a simple Bill and I do not need further time. I ask the House for permission to introduce the Bill.

Question put and agreed to.

Bill ordered to be brought in by Dr. Nick Palmer, Mr. Ivor Caplin, Mr. Tim Loughton, Sir Teddy Taylor, Mr. Norman Baker, Mr. Andrew Robathan, Mr. Roger Gale, Mr. Lawrie Quinn, Mr. Ian Cawsey and Liz Blackman.

PROTECTION OF ANIMALS (AMENDMENT)

Dr. Nick Palmer accordingly presented a Bill to provide for the cost of keeping an animal pending a court case to be met; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 3 July, and to be printed [Bill 184].

SCOTLAND BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 82 (Business Committee),

That the further Report [5th May] from the Business Committee be now considered.—*[Mr. McFall.]*

Question agreed to.

Report considered accordingly.

Resolved,

That this House doth agree with the Committee in its Resolution.—*[Mr. McFall.]*

Following is the report of the Business Committee [5 May]:

That—

(a) proceedings on Consideration of the Bill shall be taken in the following order, namely, New Clauses and New Schedules tabled on or before 30th April, amendments to Clause 1, Schedule 1, Clauses 2 to 20, Schedule 2, Clause 21, Schedule 3, Clauses 22 to 28, Schedule 4, Clauses 29 to 91, Schedule 6, Clauses 92 to 109 and Schedule 5, remaining New Clauses and New Schedules, amendments to Clause 110, Schedules 7 and 8 and Clauses 111 to 116,

(b) the three days allotted under the order [13th January] to proceedings on Consideration and Third Reading shall be allotted in the manner shown in the Table set out below, and

(c) each part of the proceedings shall, if not previously brought to a conclusion, be brought to a conclusion (in accordance with the order, as amended on 30th April) on the expiry of the allotted period (calculated from the commencement of proceedings on the Bill) specified in the third column of the Table.

TABLE

Allotted day	*Proceedings*	*Allotted period*
First day	New Clause 1	6 hours 30 minutes
Second and third days	Remaining proceedings (according to time limits to be determined by a further report or further reports of the Business Committee)	Second day and 6 hours and 30 minutes on the third day.

Orders of the Day

Scotland Bill

[1ST ALLOTTED DAY]

As amended (in the Committee), considered.

New clause 1

REVIEW OF ROLE OF SCOTTISH MEMBERS OF HOUSE OF COMMONS

'.—The Secretary of State shall carry out and, not later than 12 months after the passing of this Act, publish a review of the appropriate functions and powers of Members of the House of Commons representing Scottish constituencies in relation to the conduct of business in that House in light of the provisions contained in this Act.'.—*[Mr. Ancram.]*

Brought up, and read the First time.

4.12 pm

Mr. Michael Ancram (Devizes): I beg to move, That the clause be read a Second time.

Madam Speaker: With this, it will be convenient to discuss amendment No. 2, in clause 114, page 52, line 30, at end insert—

'(2A) No order under subsection (1), other than an order relating to section 81, may be made unless the Secretary of State has published the review of the functions and powers of Members of the House of Commons representing Scottish constituencies which he is required to carry out under section (*Review of role of Scottish Members of House of Commons*).'.

Mr. Ancram: The new clause is about the English dimension of the Bill. It is about how to retain fairness and balance within the United Kingdom Parliament, which we believe the Bill threatens to undermine. In particular, it is about what the role of Scottish Members of Parliament at Westminster should be once there is a Scottish Parliament. This is all the more relevant today, because it looks as if the worst fears of Unionists about devolution are set to be fulfilled, because the Scottish National party is likely to seize at least a substantial tranche of seats in a Scottish Parliament.

I make no apology for returning to this issue. From the outset of the legislation, the Government have done their level best to dismiss its importance—on the last occasion cynically manipulating and curtailing the time for debate. The Government are caught between a rock and a hard place. They know that the glaring imbalance created within this Parliament by their proposals will inevitably become a source of resentment and division between Scots and English, and they do not want that. They know equally that, if they genuinely addressed the problem, they would substantially weaken their influence in the House on English matters, and they do not want that, either. It is not that they have no answers, but that they fear the answers, because either their Unionism or their political power base is at risk.

Mr. James Wallace (Orkney and Shetland): I do not recall substantive proposals coming from Conservative Front Benchers when we debated the matter previously, and the new clause would pass the buck to the Secretary of State after a Scottish Parliament was established. The

right hon. Gentleman has just started his speech: can we expect substantive proposals for tackling what he describes as the English dimension?

Mr. Ancram: As a lawyer, the hon. and learned Gentleman would expect me to make my argument logically and consequentially. If he waits, he will receive the answer to his question.

The Secretary of State for Scotland (Mr. Donald Dewar): I understand the right hon. Gentleman's point, but, in terms of logical advancement of rational debate, I would have expected the solution favoured by Conservative Front-Bench Members to appear in an amendment. It has not—why?

Mr. Ancram: I am not sure whether the right hon. Gentleman was present when we debated the issue previously. He may not have been; throughout, he has buried his head in the sand and hoped that the problem would fade away. Had he been present, he would have heard me say that a number of solutions are available, none of which is without flaws, but each of which must be examined and used to find an answer to the problem. I am asking the Secretary of State, who is in charge of the Bill, to set up an independent inquiry to examine the matter and make non-partisan recommendations to the House. I shall return to that matter later in my speech.

The Government do not like to discuss this subject. In our previous debate on it, they resorted to abusing any Conservative Member—including my right hon. Friend the Member for Huntingdon (Mr. Major), a former Prime Minister—who mentioned it. They hurled pathetic accusations, suggesting that we were anti-Scottish in raising it. I can think of nothing more nonsensical, unless by anti-Scottish they mean anti-separatist. I would plead guilty to that.

If the Government's claims that they want the United Kingdom to be maintained and Scotland's place in it to be strengthened are genuine, fairness in this Parliament is paramount. They should welcome our efforts to find an answer that works, but instead they are making an enormous political miscalculation, which is becoming a habit for them. Only six months ago, they campaigned hand in hand with nationalists for a yes vote in the referendum and, as my hon. Friends remember, told their supporters that they had the measure of the Scottish National party. In haunting words, the Secretary of State for Defence, the right hon. Member for Hamilton, South (Mr. Robertson), said that devolution would kill nationalism stone dead. Stone dead? Nationalism is trampling all over them.

Opinion polls consistently show what Conservative Members warned about throughout the devolution referendum. We said that the creation of a focus for nationalism would not weaken nationalism, but strengthen it. We were mocked for our pains. Opinion polls now show nationalists running Labour neck and neck for seats in a Scottish Parliament. The Government are running scared—they could not have got it more wrong if they had tried. They apparently believed that the credibility that they had bestowed on the SNP would fade away once the referendum was over. They were wrong then, and they are wrong about the English dimension now.

Mr. John Swinney (North Tayside): The right hon. Gentleman is commenting on trends in opinion polls, which are what should be observed. What does he think about the trend of Conservative party support in opinion polls since the referendum?

Mr. Ancram: If the hon. Gentleman reads the opinion polls today, he will see that the Conservative position has improved somewhat in terms of a Scottish Parliament and a general election. I shall not make a great deal of that: I merely point out that the people of Scotland were told by the Labour party during the referendum campaign that if they voted yes, Scottish nationalism would be killed stone dead. The hon. Member for North Tayside (Mr. Swinney) looks anything but stone dead. The opinion polls this morning show just how wrong the Labour Government were.

The Government are also wrong about the English dimension, because that political reality cannot be ignored. This debate is far from anti-Scottish. It is about the United Kingdom and about the place of England and Scotland in the United Kingdom. It is in all our interests to get the legislation right before it is too late. It would be easy for us to sit back and enjoy the Secretary of State's well-earned discomfort, saying, "We told you so." But, as Unionists, we cannot do that.

We have argued throughout the discussions on this legislation that we must make the Scottish Parliament work. We did not want it, but, as Unionists, we have accepted democratically that the aspirations of those who have shown in the referendum their desire to have more say over their own affairs within the United Kingdom must be met. That is easier said than done.

The Bill is full of fundamental flaws, especially relating to Scotland's voice in Europe and the fair allocation of resources in the United Kingdom after devolution. It is packed with anomalies, such as why a Scottish Parliament can vote for euthanasia or capital punishment but not for abortion. It is full of ambiguities as to the future role of the Secretary of State and who precisely in Scotland will pay the extra tax presaged in the Bill. The Bill came to the House a mess, and I fear that it will depart it a mess because of the Government's intransigence. Nevertheless, we must try to make it work, if only to ensure that the Edinburgh Parliament does not collapse into an uncontrolled free fall towards separation.

We want to ensure that the Scottish Parliament works in harmony with the United Kingdom Parliament, because destabilisation and imbalance are the enemies of that harmony. It is not enough to rely on the Government's increasingly implausible scenario of Labour Administrations in London and in Edinburgh acting in fraternal concert to create synthetic harmony and stability. On current evidence, it would be laughable and irresponsible to do so, but that has been the Government's only answer throughout.

The Government have told the House that there is nothing to worry about. We have all heard the phrase, "Nothing has really changed." We have heard them say in answer to questions about an imbalance, "What imbalance?" One thing is certain: the Bill creates a substantial constitutional imbalance within the United Kingdom between Scotland and England, and even between Scotland and Wales. That instability cannot be wished away. The vital task of redressing the balance must begin in this House of Commons. If there is to be balance, it must be based on fairness within this Parliament.

[Mr. Ancram]

It is clearly unfair that Members from one part of the United Kingdom should be able to decide or influence decisions on matters solely affecting other parts of the United Kingdom, when they cannot similarly decide for their own areas or constituents, particularly if there is no reciprocal right of decision making or influence for Members from those other areas; yet that is what the Bill sets out to do.

It is not an option for the House to do nothing about that, because the Bill leaves the largest part of the United Kingdom—England—with the rawest part of the deal. It constitutionally diminishes England, and excludes it from influencing domestic issues in parts of the United Kingdom while allowing Members from those very parts to influence similar domestic issues in England, even if they cannot do so for their own constituents. It leaves England to pay the lion's share of the bill, while not being able to call to account those who spend it.

That runs counter to the principles of the Union, and produces nothing but unfairness for England. We should not be surprised if England starts to object. There will not necessarily be a backlash—if I may say so, the English do not tend to lash—but growing English consciousness is bound to have political consequences if it is not addressed.

It is axiomatic that, where possible, the same rights and restrictions should apply to hon. Members whether they represent constituencies in Scotland, England, Wales or even Northern Ireland. Our constitutional objective as Unionists must be to sustain a supreme and sovereign United Kingdom Parliament, in which Members from throughout the Kingdom enjoy the same status and esteem.

Dr. Norman A. Godman (Greenock and Inverclyde): I am grateful to the right hon. Gentleman for showing characteristic courtesy.

Why is the right hon. Gentleman so hostile in principle to constitutional change, given that he argued, honourably, for radical constitutional change in Northern Ireland? Is he coming round to the idea—supported, apparently, by an increasing number of his right hon. and hon. Friends—that a federal Britain is the way ahead?

Mr. Ancram: I am surprised that the hon. Gentleman should accuse me of taking that view on constitutional change. I make no secret of the fact that I did not want devolution to occur in the way that the Bill proposes. However, having taken account of last September's referendum result, I have said that my party and I intend to try to ensure that devolution works in a way that does not further undermine the United Kingdom. My case today is that there is an enormous hole, or vacuum, in the Bill, which, unless we find some way of filling it, will not only lower the status of the House but endanger the settlement throughout the United Kingdom.

The hon. Gentleman asked whether the answer was federalism. I do not find it easy to see how a balance can be created in the light of the Bill. It is hard to see how that can be done, given that the duties of groups of MPs from different parts of the UK will inevitably vary widely after devolution. There are no simple solutions—at least, I have seen none so far—that do not risk further anomalies and unfairness.

The Government's policy of regionalisation in England—which is, as far as I know, their only response to the West Lothian question—does not resolve the problem, because it fails to address the fundamental legislative imbalance that lies at the heart of that question.

Mr. Charles Kennedy (Ross, Skye and Inverness, West): The right hon. Gentleman is being uncharacteristically coy. If the Conservative and Unionist party, of which he is the senior constitutional affairs spokesman, cannot think of any way in which to deal with the problems that it thinks are being created by the Bill—or the knock-on effects in Wales—Sir Malcolm Rifkind is presumably wasting his time in chairing a think tank that is supposed to be coming up with a bold, imaginative solution.

Mr. Ancram: On reflection, the hon. Gentleman may think that his question was slightly illogical. I am not sure whether he was here during our last debate; I was one of the few who managed to speak, which is why I do not want to take too much time today. I went through the options then, and my right hon. and hon. Friends will rehearse some of them again. I pointed out that, while each case had attractions, there were also flaws. I said that, although those pieces had to be on the board, so that we could examine them and see how they played, there might be other pieces that we had not yet examined. The committee chaired by Sir Malcolm Rifkind, among others, may produce answers that have not yet been thought of. That is why we need this debate, and why we will not be silenced.

I hope that, if a committee or independent review is set up to take evidence from Members of Parliament and constitutional experts the length and breadth of the land, it will come up with recommendations that will resolve the problem. In the current circumstances, that is the right way to proceed.

If the hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy) had been here last time, he would have heard other solutions debated. They have not changed, and some of my hon. Friends still argue that Bills should be designated for the exclusive attention of English Members. That has its merits, but it would create two categories of Member of Parliament within the UK Parliament. I am told by constitutionalists that that would undermine the constitutional nature of Parliament. Others will press the case for an extended English Grand Committee; others again will call for an English Parliament. Those ideas have their merits, but when we examine them closely, we find anomalies and imbalances.

Mr. Alasdair Morgan (Galloway and Upper Nithsdale): The right hon. Gentleman is saying that some solutions to his problem are yet to be propounded, but is that not the fault of his party, which for 18 years presided over Scotland with a minority Government, knowing that there was a demand for constitutional change, yet making no effort whatever to come up with any solutions?

4.30 pm

Mr. Ancram: The hon. Gentleman suggests that I should have a solution to a question that is not of my making. I would not have started from here. The Bill is the reason that we have this problem. I have argued over and again that it should be not for us but for the Government to produce the answers and solutions to the constitutional vacuums. It is because they have abdicated their responsibility to do so that we are having to do it for them.

It is vital in this process that we look at all the options, examine them and debate them fully. Each has its attraction, but none of those attractions is untrammelled. There is much more thinking to be done if we are not to replace one imbalance just with another.

For a start, any sustainable solution must take account of certain elements: the respective duties and responsibilities of the various national groups of Members of Parliament and the limitations that devolution will impose on them; the number of constituents that those Members represent; the comparative work load that they will notionally be required to undertake; the acceptability of the roles that they might be asked to perform within a United Kingdom Parliament; and the maintenance of the link between representation and taxation. Those will almost certainly vary from English Member to Scottish Member to Welsh Member to Northern Irish Member, but any fair answer must address them. A United Kingdom Parliament where those elements are not faced will remain unbalanced and unstable. We need to find ways in which to restore that balance.

Mr. Ian Davidson (Glasgow, Pollok): If the right hon. Gentleman is interested in taking account of work load, does he intend to ensure that those hon. Members, particularly from his party, who have several outside jobs will in some way have either their salaries or responsibilities diminished, and that those Labour Members whose sole job is being a Member of Parliament will be rewarded?

Mr. Ancram: Perhaps the hon. Gentleman could tell us where his hon. Friends are this afternoon and what they are doing. During this important debate on an important constitutional issue, it is extraordinary that the Labour Benches are empty.

This thought was put into my mind by a comment from the hon. Member for Dundee, East (Mr. McAllion), who very early in these debates said that he had worked out that the work load of a Scottish Member in this House would be cut by about two thirds as a result of devolution. That is something of which account has to be taken.

Mr. Douglas Hogg (Sleaford and North Hykeham): I am sure that my right hon. Friend would not allow the opportunity to pass without remarking that there are only seven Labour Back Benchers in the House.

Mr. Ancram: I am grateful to my right hon. and learned Friend for making that point. What is even more extraordinary—I am looking around quickly—is that I cannot see a single English Labour Member. Where are the voices of the north-east, who are so vociferous about devolution's effects on their area? Has Millbank tower given instructions that English Members should be kept away from a debate that touches on English and United Kingdom matters? It will certainly be a matter for comment in their constituencies when the question is asked: where were they when the effect of devolution on their constituencies was debated, and when the vote was taken?

The new clause suggests that we should try to achieve this balance in a non-partisan and agreed way. The Secretary of State may find it very difficult to be non-partisan, but, at the moment, I am not sure that his partisanship is necessarily scoring many runs in Scotland. The new clause seeks to put this problem to an independent body to consider and to report back to the House before the die is finally cast and it is too late. Its remit should be to examine simply the respective roles and responsibilities of Members of Parliament from all four parts of a devolved United Kingdom and to recommend answers that would maximise fairness of representation, while minimising disparity of power. That would meet the imbalance of the English dimension at least.

There are many other imbalances, some affecting England, others Scotland, Northern Ireland and Wales. Those, too, will need addressing, but not in this new clause. We may reach some on Report next week and beyond. Some imbalances may have to await the scrutiny of another place, but they will have to be dealt with.

Conservative Members did not seek devolution, but we are Unionists and will work to preserve the Union within the new devolved constitutional landscape. We will not allow the corrosion of nationalism further to unbundle the United Kingdom.

We may well have to redefine our Unionism to meet the new context. We must give new life to the concepts of partnership, of sharing problems and the means to meet them, and of strengthened unity—all of which are so essential to the Union, and all of which are so undermined by the Bill.

We must develop the dynamic and the will to sustain the United Kingdom itself. Ultimately, we must be able again to be proud of being Scottish and British, English and British, Welsh and British and Northern Irish and British. We have to renew that spirit of mutual respect upon which that is based. Although our new clause may be only a small part, it is a start in that process.

The Government, in their funk, have lost the plot in the fight to protect and sustain the Union—but the Opposition have not, and we never will.

Mr. Tam Dalyell (Linlithgow): The right hon. Member for Devizes (Mr. Ancram) just now used the phrase "unbundling of the United Kingdom". I am sure that he would confirm that that phrase was coined, and constantly repeated, by my right hon. Friend the Member for Llanelli (Mr. Davies) in the debates on Welsh devolution. Those who heard my right hon. Friend and my hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr. Rowlands) in those debates will know exactly the entire background to the phrase "unbundling of the United Kingdom"—or, as some others have called it, "the de-wiring of the United Kingdom". I fear that that is what it is about. Above everything else, I fear the slow-burning candle of English nationalism.

The current parliamentary arithmetic—which is part of the problem—of the House disguises the whole problem in the short term. A majority of 179 is so large that it is

[Mr. Tam Dalyell]

inconceivable that 72 Scottish Members will ever hold the balance in a Commons vote. However, that is not an excuse for doing nothing about a latent constitutional problem. Instead of waiting for a crisis, we should do our best to face up to it now, because there will come a time when it is no longer sustainable for Scots Members of Parliament to vote on exclusively English Bills.

Mr. Davidson: Nonsense.

Mr. Dalyell: It is not nonsense; it is the reality of the situation. My hon. Friend will no doubt catch your eye, Mr. Deputy Speaker, to make his case on why he thinks that what I have said is wrong.

In parliamentary terms, I am a bit grizzly and ancient. Nevertheless, I remember very well the period 1964–66, when the incoming Wilson Government had a majority first of five, soon—with Patrick Gordon Walker's by-election—to be whittled down to three. I remember also the period 1974–79.

In such circumstances, the position of Scottish Members of Parliament—as they will be under the Bill—will become a matter of maximum controversy. One has only to remember the bitter things that my own Front Bench—Harold Wilson, in particular—had to say, rightly, when it came to steel nationalisation, the defections of Desmond Donnelly and Woodrow Wyatt and the position of the Irish. Given parliamentary arithmetic, what Harold Wilson had to say about the Irish will, sooner or later, apply in certain circumstances.

The truth is that an arbitrary cut in numbers of Scots Members of Parliament does not resolve the dilemma. There is an urgent constitutional question facing post-devolutionary Britain, and it is one that all of us, not least the Scots Members of Parliament, must face. It is, how is England to be governed now that the unitary state is to be fundamentally transformed? After the passing of the Bill, England is no longer, if it ever was, coterminous with the United Kingdom. If domestic affairs are to be devolved to Holyrood, some legislative entity is going to have to emerge in England to fill the vacuum left by Scottish home rule. It is important that the Scots make that point.

The situation cannot be ignored any longer. The English dimension is now on the political agenda. It is not at all satisfactory that all this should have been done within the Scottish Office, because the last time around it was done within the Cabinet Office, and that was rather a different kettle of fish.

Mr. Hogg: I have been listening to the hon. Gentleman's argument, with which I agree, with considerable care. He has stated, quite rightly, that there is an implication for the constitution of the United Kingdom in how England is to be governed, but is there not also an implication for the party structure in the United Kingdom, in the sense that there is going to have to be a considerable gap between—the hon. Gentleman used the example of his party, but it applies equally to mine—the Labour party in Scotland and the Labour party in England and the Labour party in Wales? Their interests are not going to be identical; indeed, they may end up arguing among themselves, so we may be looking at the fragmentation of the party structure.

Mr. Dalyell: One of the things that I have learnt from the whole question of devolution is that one should not give snap answers off the top of one's head. I mean no discourtesy to the right hon. and learned Gentleman, but before giving any serious answer to his question, I shall have to look in *Hansard* to see exactly what he said and then reflect on it. Once one gets involved in devolution, it is as well to be extremely cautious because it is by giving snap, instant answers that one often gets into the greatest difficulty. Indeed, it may have been snap, instant answers in the mid-1970s that created many of the problems that we subsequently faced.

Paradoxically—this point does relate to the right hon. and learned Gentleman's question—the only country in the United Kingdom which does not now have, or which from May 1999 onwards will not have, its own government is England, and therein lies a problem.

The self-evident problem becomes acute when a Government party has to depend on its favourable majority in Scotland to get its English business through the House of Commons. I shall leave the question in shorthand—it will be asked, how come whoever is the Member of Parliament for Linlithgow or Livingston can vote, and vote decisively, on policy in relation to Liverpool or London, on matters on which not only English but Scottish Members of Parliament cannot trespass? Unless clause 27 is operated differently from the way in which we have been led to believe it will operate, that remains a problem. That is the old, so-called West Lothian question, which I need not go into in this regard because it has become familiar.

Coupled with that is another problem, which unfortunately was not discussed because of the guillotine on clause 33 but which is relevant to this debate. It is the position of the Secretary of State, or whoever occupies that position. One of the major perceived advantages given to Scotland in the current system is the presence in the Cabinet of a senior Minister directly concerned to defend Scotland's interests. The Secretary of State's practical authority among his Cabinet colleagues has derived essentially from the Executive responsibility that he shoulders as head of the Scottish Office.

The more those responsibilities are reduced by the devolution settlement, the less standing the Secretary of State can have as anything other than a strictly irresponsible "more or better for Scotland" campaigner. If the Scottish Office has no Executive responsibilities—as the stance noted in paragraph 18 of the White Paper implies—whoever is Secretary of State is nothing but such a campaigner and a repository, megaphone whipping-boy for all the Scottish Assembly's grumbles against Westminster and Whitehall, and those grumbles will be manifest. It cannot in the long run be sensible or acceptable to non-Scottish viewpoints as a basis for a seat in the Cabinet. Nor can a substantial role sensibly be created, as paragraph 4.14 of Cmnd. 3658 seems to imply, by designating such a Secretary of State and a small supporting staff as 'a prime channel or bottleneck of communication on substantive issues between London and Edinburgh. The London interlocutor must surely be whichever Department is responsible for the particular subject.

Frankly, I believe that whoever is Secretary of State will find herself or himself in the position of Oliver Twist and in a girning position that will create maximum irritation. Any Prime Minister in Downing street will want to deal with the Prime Minister of the Holyroodhouse Parliament and not the Secretary of State in London. That issue really has to be addressed in terms of what is advantageous or unadvantageous for Scotland.

4.45 pm

Mrs. Teresa Gorman (Billericay): Is it not possible that the situation would be exacerbated by circumstances such as those that prevail at present when the entire Treasury team, including the Chancellor and his second in command, the Chief Secretary to the Treasury, represent Scottish seats and sit in what basically will be an English Parliament deciding on funding matters for Scotland?

Mr. Dalyell: I attended the revealing and interesting Friday debate when the hon. Lady—in my opinion justifiably and legitimately—introduced a Bill proposing an English Parliament. I hate referring to previous speeches, but many hon. Members wish to speak. I was able to speak at some length that Friday morning and I stick to every word that is printed in *Hansard*. There is a real problem inherent in her question.

Mr. Malcolm Savidge (Aberdeen, North): Does my hon. Friend accept that the proposal by the hon. Member for Billericay (Mrs. Gorman) is absolutely preposterous as it is perfectly clear that Treasury business will be a matter for the United Kingdom Parliament and will not be devolved, therefore it would be ludicrous to exclude Scottish Members from being involved in such decisions?

Mr. Dalyell: The difficulty is that Scottish Members will be highly dependent on the actions of those people in Great George street. I do not know whether or not he will speak, but it might be very revealing to hear what the former Conservative Chancellor, the right hon. and learned Member for Rushcliffe (Mr. Clarke) has to say on those matters. There would be great difficulties, not only if there were an overall Labour Government with a Conservative majority in England, but if there were a Conservative Government in Britain and a Labour Government in Scotland. In addition, I say with total friendliness to my hon. Friend the Member for Aberdeen, North (Mr. Savidge) that he should not imagine that the difficulties would be much less if both Governments were of the same party because those in Holyroodhouse will certainly need a reason for not being able to fulfil the massive expectations that have been aroused. It is human political nature to blame someone else, so, being human, they will say, "We would have mended your roads or done this for schools or reduced waiting lists, except that we do not get the resources from those parsimonious people at the Treasury in Great George street."

Mr. Savidge: Do I take it that my hon. Friend would therefore consider abolishing all local councils for the same reason?

Mr. Dalyell: The fact that my hon. Friend equates this matter with the position of local authorities reveals volumes about his thinking. The answer is no.

The problem goes deeper. One aspect of the so-called West Lothian question that has been forgotten over 20 years is that the problem goes beyond voting on exclusively English legislation. One cannot escape from an equal, if not more serious, dilemma. The problem is not that of an occasional vote on legislation; it is that Scots Members with no responsibility for such matters could easily—and probably will—sooner or later determine the political colour of the English Secretaries of State for Education and Employment and for Health, the English housing Minister and the English Home Secretary.

Let us not delude ourselves that, in the circumstances created by the Bill, with a Labour Government overall and a majority of English Members that is either Conservative or Conservative and Liberal, the slow fuse of English nationalism would not be ignited. Having voted, rightly or wrongly—wrongly, as I would think, but rightly, as others might think—by a majority for a party different from that with an overall majority in the United Kingdom, people in England would ask why Members of Parliament who had no responsibility for matters relating to them—or, incidentally, for matters relating to the Scottish electorate who elected them—should determine the political complexion of the Secretaries of State heading the great spending Departments of Government. That situation cannot continue. There is no escape from a position in which the political colour of the head of a spending Department, dealing with English health, education and local government, can be imposed by hon. Members for Scotland.

The position now is, as it has always been—devolution in anything resembling the form in which it is proposed is a staging post, a halfway house, or a springboard to something else. Liberal Democrat Members think that it will lead to federalism—I see them nodding, so I am not distorting their position. Scottish National party Members think, as I do, that this is a paving Bill—I see them also nodding—towards the dissolution of the United Kingdom. [HON. MEMBERS: "Independence."] It is coming to that. That, rightly or wrongly, is what I think.

How long can this last? How long can the Bill endure? Of course it will endure for this Parliament, given the parliamentary arithmetic, and it may well endure for the next Parliament. If we are to take the Bill seriously, we must think about the long term. The Bill is not a settlement. The deal must not be seen by the English majority, at the outset or as experience builds up, as giving Scotland one-sided privileges and advantages of an unacceptable kind or scale. Unless that condition is met, there is no chance of the Bill enduring in the form that those who proposed it presumably hope that it will endure. Carrying on as before is simply not an option. An ancient Labour Member of Parliament must warn his colleagues—although they have not exactly exuded gratitude for this—that, come May 1999, some of us will not be able to bring ourselves to vote on matters that are exclusively English and over which we shall have no control.

Dr. Godman: Will my hon. Friend give way?

Mr. Dalyell: Not for the moment; I must be brief.

[Mr. Dalyell]

If we are facing a break-up, and either federalism or independence is decisively what people want, so be it. If Scotland is to be a separate country from England in the European Community—I admit that that is a point of view—at least we better know about it.

Mr. John M. Taylor (Solihull): Will the hon. Gentleman give way?

Mr. Dalyell: No.

If people in Scotland do not want such a situation, they ought to have one last opportunity to say so. I believe—it is not up to me, and I shall be doubly unpopular for saying this—that the other place, as a revising Chamber, has a responsibility in this matter to reflect on whether there should be, as I think there should, a post-legislative referendum. It should be on the question: "Are you sure that you want a Scottish Parliament, with the inevitable consequence that Scotland either becomes part of a federal set up or becomes an independent country?"

Whether one likes it or not, that is the reality that we face. People in Scotland ought to be allowed to make up their minds. The pre-legislative referendum seemed a very cunning device, but as people wake up to the reality of the choice, they may find that that choice is a little different. We must bend our minds on whether they should at least be given that choice.

Mr. Charles Kennedy (Ross, Skye and Inverness, West): As the hon. Member for Linlithgow (Mr. Dalyell) correctly anticipated, Liberal Democrats see the Bill as part of a developmental process for a re-casting of the United Kingdom constitution and the entire role of Westminster. I shall address our preferred option of federalism in that context later.

I speak as one who has an on-going personal interest, not just for the remainder of this Parliament but, God and the electorate willing, in future Parliaments, in serving in Westminster as a Scottish Member of Parliament post-devolution. I say that in terms of personal interest, but not in a personalised way about the right hon. Member for Devizes (Mr. Ancram). It is significant that the new clause does not even reveal any potential further developments or solutions, despite being very heavy on analysis of the problem, as the Conservative and Unionist parties see it.

The new clause is also significant given the role of the right hon. Member for Devizes in Scottish as well as United Kingdom politics since 1983, when I entered the House. He must carry, along with several of his colleagues from the 1980s in particular and into the 1990s, a very heavy responsibility for part of the problem about which he is now so fixated—much of which others and I think could have been averted if the Conservative Government had had the sensitivity, sense and, ultimately, the self-interest to realise that they had to appeal and respond much more to the growing sense of frustration in Scotland. The Scots voted consistently against not just the Government in power but the style of government and the substance of policy that was increasingly being imposed in a heavy-handed and arrogant way on Scotland.

In the previous roles of the right hon. Member for Devizes, both as chairman of the Scottish Tory party and then as a Minister in the Scottish Office, I remember him on many occasions arguing to a standstill with the massed ranks of opposition—which, in those days, comprised Labour, the Scottish National party and the Alliance—that, having examined, for example, the method of local government finance in Scotland, there was absolutely no conceivable practical alternative to the poll tax. Although the Scots were clearly dead against it, it had to be imposed because nothing else could be done.

The Tories all had to change their tune a few years later when there was a leadership change and, suddenly, that was no longer the appropriate script. That kind of approach began to sow the seeds which led to the Conservative party's downfall, and that is why it is so difficult to take seriously the analysis of the right hon. Gentleman today.

Mr. James Gray (North Wiltshire): I should declare an interest, in that I stood against the hon. Gentleman in Ross, Cromarty and Skye in 1992. If what he says is correct, and if the people of Scotland were so massively opposed to the Conservative party, why was the largest swing in the UK against the Liberal Democrats in Ross, Cromarty and Skye? The swing was 5.6 per cent. and the hon. Gentleman lost 5,000 votes to the Conservative party. Why?

Mr. Kennedy: You might bring me to order, Mr. Deputy Speaker, if I entertained the House with tales of the 1992 Ross, Cromarty and Skye general election campaign. Suffice to say that it is both pleasant and significant to see the hon. Gentleman representing his present constituency, because there was never a snowball's chance in hell that he would ever represent mine.

Mr. Ancram: Will the hon. Gentleman give way?

Mr. Kennedy: I do not know whether the right hon. Gentleman is concerned about Ross, Cromarty and Skye or the new clause, but I would be interested to find out.

5 pm

Mr. Ancram: The hon. Gentleman was talking about the effect of our policies in the past 18 years on our standing in Scotland. I wonder whether he could explain why, given his views and his party's policies—which he believes are so attractive to the people of Scotland—he and his party are standing below us in the opinion polls today.

Mr. Kennedy: The proof of the pudding, and the comparative popularity of the Conservative and Liberal Democrat parties, will be revealed in 12 months. If I were the right hon. Gentleman, I would not hold my breath about coming third in the election.

Despite the high-minded tone of the right hon. Gentleman, what the Tories are up to with the new clause and their argument is typical of the Tory party throughout history—adopting, in an apparently moral stance, a concern for the wider Union, the empire or whatever. It is all dressed up in that way because it is nothing but naked, belligerent and opportunistic self-interest.

If anything brings home that fact, it is that, between 1992 and 1997—and a fat lot of good it did the Tory party—the previous Secretary of State for Scotland,

the arch-Unionist himself, based his entire strategy, and was quite open about it, on trying to talk up the Scottish National party, the supposed deepest foes of any Unionist party, because he hoped to split the vote and, by default, recapture seats here and there which, under first-past-the-post politics, he knew would not otherwise be open to persuasion in the Conservative interest.

All I can say is that one cannot put forward an argument and table a new clause to the Bill on the Floor of the House and present oneself as an arch-Unionist while being willing to run with the hounds and hares of nationalism for self-interested reasons. That was the approach of Michael Forsyth then, and that is why the argument of the Tories now is vacuous.

Mr. Bernard Jenkin (North Essex): The hon. Gentleman is making it up.

Mr. Kennedy: The hon. Gentleman should go and talk to Michael Forsyth, as many of us did throughout that period. Michael Forsyth was under no illusions about what he was up to.

Mr. Jenkin: I know Michael Forsyth—he is a friend of mine. It is slightly odd for the hon. Gentleman to caricature his campaign as Secretary of State for Scotland—when he was constantly warning against the dangers of nationalism—as somehow aiding and abetting nationalism. If that is the topsy-turvy logic that the hon. Gentleman is using in the debate, he is running away from the truth—not us.

Mr. Kennedy: I shall not dwell further on history. Suffice to say that Michael Forsyth was warning against nationalism, of course, but he was also talking it up and trying to give it a focus in that campaign because he thought that, if he could polarise the debate into a choice between Conservatism and Unionism or nationalism, he would win. The Scottish people were not taken in—we are a good deal more sophisticated and subtle about recognising that there is a range of options. I shall turn to those.

First, this entire House is a range of historic inconsistencies. Hon. Members have only to look at the role of Irish Members earlier this century, when precisely the dangers or difficulties alluded to in West Lothianism were the order of the day.

Mr. Hogg: The hon. Gentleman is right about that, but in the days of Stormont there were far fewer Unionist Members of Parliament for the Province in the House than their population justified.

Mr. Kennedy: Yes; but, with the reimposition of direct rule, there were subsequent changes under the Callaghan Administration to take account of that fact and, indeed, such provisions are included in the proposed legislation. We have long since accepted that. Once we have Scottish devolution, at an appropriate juncture there will have to be a re-evaluation—[HON. MEMBERS: "Where?"] It is in the legislation. There will have to be a re-evaluation of the basis on which Scottish Members are sent to Westminster. Of course, that will have a logical sequential effect on the number of Scottish Members sent to Westminster. I think that that accounts for the argument of the right hon. and learned Gentleman.

Historic inconsistency has been a recurrent feature of this place. If one were to start with a blank sheet of paper and draw up a constitution for the United Kingdom today, I doubt whether one would begin with something with the shape and substance of what we have. At least those who are engaged in that process in Scotland and Wales have a terrific opportunity. If one were drawing up a basis for operating a Parliament, as they are doing—considering potential Standing Orders and procedures, how to go about legislation and all the rest of it—one would not adopt the procedures that have been imposed on us in this place, as they hardly take into account how a modern and multifaceted democracy such as ours, with different nation states involved, should be structured.

Dr. Godman: On the inconsistencies, the hon. Gentleman mentioned that, sooner or later, we would be faced with a choice between the break-up of the United Kingdom and setting up a federal United Kingdom. In the meantime, how would he deal with the inconsistencies that characterise this place?

Mr. Kennedy: I shall be happy to come to that matter in a moment.

The final weakness of the argument put by the Conservatives at the beginning of the debate is that, despite all that period in office and all the great thinking that apparently went on about the different constitutional options, the one practical proposal that they came up with to deal with the anomalies, frustrations and shortcomings of the political system and the business of political administration was called "taking stock" and, as far as any of us who were involved in it can recall, it simply involved turning the Scottish Grand Committee into a rolling roadshow.

The Scottish people were not taken in by that either. As the then Secretary of State discovered to his increasing misfortune, once they had realised that the Committee need not merely be an opportunity for some pump-priming or pulpit politics from the Secretary of State in different parts of Scotland, it became a much bigger opportunity, from Stornoway to Selkirk, for some of the largest demonstrations against the Conservative Government, so the whole thing ended up backfiring in their faces. The inadequacy of the Conservative party in and out of office in trying to produce practical solutions to tackle those genuine political problems has been a great difficulty indeed.

What of the role of Scottish Members of Parliament at Westminster after the devolutionary settlement and further into the life of the Scottish, and indeed the Welsh, Parliaments? I do not know how others react, but I am amused by those occasional newspaper accounts of how Westminster Members of Parliament from Scotland and from Wales—and presumably from Northern Ireland, too, if an assembly is established there—will become part-time. Anyone who has tried to fulfil both Scottish and United Kingdom roles in party politics as well as in institutionalised Westminster politics will testify to the contradictions, conflicts and frustrations that can arise. I think that people will accept that, if politicians have

[Mr. Kennedy]

more time in which to do their job, they will be able to work in a more informed and detailed way, which will make for better representation at both levels.

Mr. David Maclean (Penrith and The Border): What about the rest of us?

Mr. Kennedy: I do not want the right hon. Gentleman to be overburdened either, as I care about his welfare. I hope that, in due course, he will be the beneficiary of an evolved system under which he can perform his role more efficiently and effectively—we all know that, under the present Westminster system, there is inefficiency and ineffectiveness.

Mr. Maclean: The hon. Gentleman's argument is facile, as he knows. He looks forward to the day when the 500 English Members will have as little to do—and be as genuinely idle—as those Scottish Members who will be sent to Westminster after devolution and who will have very few subjects with which to deal. That is not a good enough answer to the West Lothian question.

Mr. Kennedy: The right hon. Gentleman hails from my constituency—he comes from the Black isle, a place that is associated with sound logic. If he thinks about the sound logic of what he is saying and what I am saying, he will realise that it surely makes sense from a reformist point of view to want a United Kingdom House of Commons to operate more efficiently and more effectively for all Members from all parts of that United Kingdom. The Bill represents a significant improvement for those of us who represent constituencies in the Scottish nation. Other parts of the United Kingdom will now have to address their different concerns, paramount among which is what will happen in England.

I have no great ambition, post-Scottish devolution, to cast a vote in the Division Lobbies of the House of Commons on specifically English legislative matters. A system will have to evolve that can take account of the fact that the democratic deficit in the United Kingdom will be most manifest in England. England will have to resolve that in one of several ways: English Members may want to meet as a specifically English Parliament; the best way forward for the predominant partner in the United Kingdom in terms of population may be to move in a more federal direction; or there may need to be a specifically English Grand Committee. The House of Commons will have to be a good deal more open minded and constructive in finding a solution for England than the Conservative party has been in its attitude to Scottish and Welsh devolution.

Mr. Hogg: I welcome the fact that the hon. Gentleman has said that he does not want to vote on exclusively English business. Will he associate himself with the hon. Member for Linlithgow (Mr. Dalyell) in stating that, after the Bill is enacted and the Scottish Parliament has become operational, he will not vote on English business? May I take it that the hon. Gentleman and other Scottish Liberal Democrat Members will not vote on English business when there is a Scottish Parliament?

Mr. Kennedy: No. I chose my words with care and was being quite frank. I have no ambition—I do not think that, in due course, other Scottish Members will have, either—to vote on English matters after a set of constitutional arrangements has evolved that makes sense of the anomalies across the United Kingdom.

I find the new clause almost offensive in its supposition, which is an historic mistake, that, because a solution is being fashioned to a set of problems in the United Kingdom—or two sets of problems, if we include Wales—the way in which to deal with outstanding problems affecting England is to turn the guns on those who have made progress towards resolving the anomalies under which they suffer. That is not an appropriate way forward.

Mr. Dominic Grieve (Beaconsfield): I do not understand the hon. Gentleman's last comment. I invite him to tell the House to what in the new clause he objects as part of the evolving process of which he has said he approve...

5.15 pm

Mr. Kennedy: The new clause focuses on the continuing role, responsibilities, duties, performance and contribution of Members of Parliament representing only one part of the United Kingdom—Scotland. Surely it would be far better to focus on the part of the United Kingdom where outstanding problems will genuinely present themselves—across England.

I do not know the solution to the English question. Some Labour Members have mooted the possibility of more regionalism in England—indeed, we are seeing the first signs of that. Perhaps there will be an English Parliament. I strongly suspect that, in the context of a developing European Union, the only way in which to make sense of this entire patchwork is a federal United Kingdom, in which there are specified powers and responsibilities at each tier of representation, and the Westminster Parliament operates federally on items of United Kingdom business that truly carry repercussions and legislative implications across Northern Ireland, Scotland, Wales and England—irrespective of whether England is unitary or made up of the regions. That would be a far better approach than the one suggested in the new clause. Moreover, we should not talk down the on-going parliamentary role of United Kingdom Members of Parliament.

The hon. Member for Linlithgow spoke about conflict, and there have been many predictions of a battleground inevitably opening up between Edinburgh and London. I do not doubt that there will be tensions—practical politics suggests that there will be—or that there will be political conflicts from time to time. However, a much more immediate and perhaps more telling source of tension and conflict may be within Scotland itself—between the various local authorities and the Edinburgh legislative body. In many ways, I hope that that is so, as it may encourage greater autonomy in different parts of Scotland on such subjects as local income tax or whether there should be proportional representation in elections to local authorities.

As the Secretary of State knows, Liberal Democrats welcome the recognition, in the White Paper and in the Bill, that the role of the Secretary of State will not only be highly diminished but—I think that the White Paper acknowledges this—in due course wither on the vine. We also welcome the recognition that the number of Scottish Members of Parliament will have to be reduced.

As has been said, the role of the political parties will also change. Liberal Democrats have experience of that, as our party already operates federally. The relationships between London, Cardiff, Edinburgh and elsewhere across the political parties will become significantly different. That will bring fresh problems, but it will also mean that politics as a whole will have a far less top-down approach than under the current unitary and centralised system.

It is surely good that, after devolution, UK Ministers will have fewer territorial responsibilities and so will have to behave with greater regional sensitivities, both within England and to the different political cultures that will then be fully apparent in Scotland and in Wales.

We acknowledge that there are further problems. This is, to coin a phrase, very much unfinished business, in the sense that, even when the Bill is enacted and the Scottish Parliament is up and running, there will be a serious job for the House of Commons to do on a United Kingdom basis in examining its structures and procedures and the roles and inputs of Members of Parliament from different parts of the country.

Some have argued consistently that this Parliament will not have a real, on-going role, but I believe that that is a wrong analysis. Those of us who hope in due course to contribute to the workings of the House under the new, devolved procedures look forward with considerable relish to doing so. Any problems could not be adequately addressed by the new clause or by the general approach of Conservative Members, so we shall certainly not join them in the Lobby tonight.

Mr. Malcolm Chisholm (Edinburgh, North and Leith): I welcome this debate on the West Lothian question. Some people latch on to the question as a rationalisation of their unremitting hostility to any constitutional change, but the issue none the less needs to be debated and clarified.

I make it clear at the outset that I am perfectly relaxed about asymmetric devolution, which is practised in many countries; if asymmetry is regarded as an anomaly, hon. Members should reflect on the anomalies that already exist and are probably inherent in the Union of four nations of greatly different sizes.

I read the new clause with interest. It reminded me of the description by the former Prime Minister, the right hon. Member for Huntingdon (Mr. Major), of Scottish Members of Parliament after devolution as ships lost in the fog. I have thought about it a great deal, and it occurs to me that the functions of Scottish Members here after devolution will not be all that different. The simple reality is that great areas will be reserved—the hon. Member for Billericay (Mrs. Gorman) seemed to forget that they would be reserved—including defence, foreign affairs, social security and the Treasury.

Interested as Labour Members are in Scottish affairs, the opportunities to scrutinise and debate them in the House are negligible. What will be different after devolution? Apart from Scottish questions once a month—there could even be an argument for keeping them—little time is spent scrutinising Scottish affairs in the House. The first anomaly of the present situation is that Scottish affairs are devolved to the Scottish Office, but there is no time to scrutinise them in the House.

With due respect to my hon. Friend the Member for Linlithgow (Mr. Dalyell), this is not a unitary state, but a Union of four nations. For 100 years, the equivalent of nine Whitehall Ministries have been devolved to the Scottish Office. The core argument for the Bill is that it is about good government for Scotland. Some of us cannot wait to have a parliament in which we can talk about the health service, housing, local government and other issues in Scotland—all matters which have been devolved.

We have to force ourselves to be patient when we hear Conservative Members speaking about future scenarios, because we remember that from 1979 to 1997, all the affairs of the Scottish Office were run by a party that was voted against in Scotland at general election after general election. That is a far greater anomaly than the so-called West Lothian question.

For 18 years, English Members imposed their will against the views of the people of Scotland, but in the whole of this century, there have been only two years—from October 1964 to March 1966 and from February to October in 1974—when there was any possibility of Scottish Members imposing their views on the House; and that will become even less likely when, as I hope will happen, the United Kingdom Parliament changes to a proportional representation system.

Mr. Edward Garnier (Harborough): On the basis of the point that the hon. Gentleman has just made, presumably he regrets the fact that the previous Labour Government had any influence whatever on arrangements in Northern Ireland. There are no Labour Members in Northern Ireland.

Mr. Chisholm: I am not sure what point the hon. and learned Gentleman is making.

Mr. Garnier: I thought that my point was simple. The hon. Gentleman is complaining that, for 18 years, his country, Scotland, was dominated by the Government formed by a Conservative party that, he correctly claimed, did not have a majority in that country. To follow the logic of that point, he must accept that Labour, both now and when it was previously in government, could have no business interfering in the affairs of Northern Ireland.

Mr. Chisholm: Northern Ireland is to get its form of devolution as well. My point is that, whatever system of government we have for a Union of four nations, there will be some anomalies. I am pointing out the anomaly of the past 18 years and asking Conservative Members to weigh it against the anomaly that they describe. I am quite prepared to accept that what they are going to talk about for the next five hours is, indeed, an anomaly, but it is less of an anomaly than what we have had for the past 18 years, because the prospect of English Members of Parliament imposing their views on Scotland is many times greater than that of the Scottish majority imposing their views on England.

Mr. Richard Shepherd (Aldridge-Brownhills): A constitutional settlement that lasted for 290 years, until last November, established that we were a body corporate: what affected one of us, affected all of us; the concern of one of us was the concern of all of us. The Government decided to change that arrangement and to disband the unitary state. They are groping towards a new constitution

[Mr. Richard Shepherd]

in which there is a serious anomaly. That is an entirely different situation from the anomaly that the hon. Gentleman described.

Mr. Chisholm: I hear what the hon. Gentleman says, but my point is that it is a different kind of anomaly. There is an asymmetry inherent in the fact that a large nation, called England, is joined with three smaller nations, called Scotland, Wales and Northern Ireland. Because England is so big, there is far more likelihood of the scenario that we had from 1979 to 1997 arising than the scenario that forms the main theme of Conservative Members' speeches. The hon. Gentleman is simplifying the position. There is no symmetry inherent in the present situation. He is also wrong, in that we do not have a unitary state. He has reinforced my point about the anomalies of having devolution without scrutiny and of having English Members imposing their views on Scotland.

We have lived with anomalies for 100 years, and Conservative Members have lived with them because they believe in the Union. The real question is whether they are prepared to put up with an anomaly that is no greater than the anomalies that we have grown used to over the past 100 years.

Mr. Grieve: I do not understand that last point. Why should we as Unionists put up with an anomaly that can and should be addressed as part of the total constitutional package that goes with Scottish devolution?

Mr. Chisholm: I look forward to the hon. Gentleman's speech, in which he will give his answer to the West Lothian question. The interesting thing about that question is the fact that most people who ask it have no intention of giving an answer; they ask it only because they think that there is no answer. I am glad that the wider section of the Conservative party is engaging with the question.

Many countries have asymmetric devolution. Spain is most often cited and provides the most interesting example. Different regions of Spain have varying degrees of devolution, yet they all come together in their central Parliament to discuss Spanish issues. First, if Spain and many other countries can live with that, it cannot be so incredible and anomalous. I shall listen to what people say; they can have objections, but it is a perfectly defensible and normal constitutional framework.

Secondly, the decision is up to the House. If the House in its wisdom decides that it wants to devolve certain matters to certain areas—some to Northern Ireland, some to Wales, some to Scotland and, in due course, some to the regions of England, it can live with what it has decided.

Mr. Grieve: Matters have moved on slightly since I first tried to intervene, so I shall adjust my question. Does the hon. Gentleman recognise that the creation of the United Kingdom was the coming together of two sovereign independent states, and that the change proposed is different from the situation in Spain, where there are regions? This is a matter of two sovereign states, and the unbundling comes through addressing the requirements of one without addressing the requirements of the other.

5.30 pm

Mr. Chisholm: That is an interesting point, but I would turn that argument against the hon. Gentleman and say that if such a system works in Spain, where there are regions, so much more should a party that is supposed to believe in the Union have respect for the separate nations of the United Kingdom.

I come back to the idea that the key determinant of the future of the settlement lies with the official Opposition rather than, as some now assume, with the Scottish National party. Notwithstanding the polls in Scotland, about which much has been said, I do not believe that they show such a high level of support for independence.

The argument will continue between devolution and independence, but I believe that the future of the Union will be determined by the attitude of the Conservative party to the settlement more than by anything else. I am glad to see that in Scotland, many of the wiser voices of Conservatism have decided that as devolution is what the Scottish people want, they will come together to make the settlement work. That is the Unionist voice of the Conservative and Unionist party.

However, as my hon. Friend the Member for Linlithgow reminded us, the real danger is English nationalism—although it does not seem to me that it is out there now. Obviously, I do not know England as well as some Conservative Members do, but all the polls and all the evidence suggest that people in England are relaxed about the constitutional settlement. A great burden therefore rests on the Conservative party not to fan the flames of English nationalism. The main threat is the danger of English nationalism in the House making the settlement in Scotland unstable.

Mr. Grieve: I am obliged to the hon. Gentleman for giving way to me once more; I shall not intervene again. Does he agree that it would be tremendously helpful, especially in view of what he has said about people being tranquil and relaxed about the proposals, if some of his English hon. Friends would come and participate in the debate, and engage in discussion to convince us of that fact?

Mr. Chisholm: As reference has been made to the number of Labour Members here, I shall take the opportunity to explain that several Select Committees, including the Select Committee on Scottish Affairs, are sitting at this moment, which may explain why some of my hon. Friends are not here.

Dr. Liam Fox (Woodspring): Does that explain why not one English Labour Member has taken part in the discussion of the Bill from Second Reading until now?

Mr. Chisholm: Various points have been made by the Opposition, and different interpretations of them can be made. In a sense, what the hon. Gentleman says backs up my contention that my English colleagues are not getting weighty mailbags suggesting that their constituents are concerned. That is another reason why the onus is on the Opposition to behave responsibly and to behave as Unionists, rather than as English nationalists, on the question.

Mr. Allan Rogers (Rhondda): Does my hon. Friend agree that it is a little ludicrous for hon. Gentlemen to

talk about our unbundling two nations that were joined together, as if they had come together voluntarily? He must have a distorted view of history. The Act of Union with Wales came about as a result of the English having conquered Wales. The idea that devolution is creating English nationalism is ludicrous too. English nationalism has always existed. Many people in this country, especially Conservative Members of Parliament, rarely talk about Great Britain; they always talk about England.

Mr. Chisholm: I thank my hon. Friend for that contribution. I would like to draw my remarks to a close—

Mr. Andrew Robathan (Blaby) *rose—*

Mr. Chisholm:—but I shall take one more intervention.

Mr. Robathan: The hon. Gentleman has talked about fanning the flames of English nationalism. I have always considered myself British, and always talk about being British rather than being English. It is the people of Scotland, especially the Scottish nationalists, who have fanned the flames of Scottish nationalism. My constituents do not understand what will happen yet, but they will. When they discover that Scottish Members of Parliament are telling them how their health service will work, but they can have no influence on the way in which the Scottish health service works, we shall see English nationalism. I shall regret that, and I will not fan its flames, but the hon. Gentleman must understand that what he advocates is, leading to the break-up of the United Kingdom.

Mr. Chisholm: I hear what the hon. Gentleman says, and no doubt we shall hear those arguments used again. I repeat my argument that that situation would have arisen in only two years during the previous hundred years and is unlikely to arise again—although clearly it is possible. Moreover, that anomaly must be balanced against the other anomalies that I have described.

Mr. Gray: Is it not true that between 1974 and 1979, we would have had a Conservative Government had it not been for the Scottish Members in this place?

Mr. Chisholm: I think that somebody else has the exact figures, but my understanding is that that applies only to the early part of that Labour Government—and I repeat the point about proportional representation.

Dr. Godman: The hon. Member for Beaconsfield (Mr. Grieve) talked about a Union between two independent nations, but I seem to recall reading that at the time, Daniel Defoe called the Union a marriage of convenience. Perhaps marriages have come under certain strains in recent years. Does my hon. Friend agree that Conservative Members are ignoring the fact that the constitutional change is to some extent a reflection of, or a reaction to, the legitimate and honourable aspirations of the overwhelming majority of the Scottish people?

Mr. Chisholm: My hon. Friend is absolutely right, of course.

Several hon. Members *rose—*

Mr. Chisholm: I have been trying to finish for the past four interventions, and I shall not take any more.

In conclusion, asymmetric and incremental devolution is a living constitution for our four nations. Let us remember that we are a Union of four nations, and let us not hear any more talk about a unitary state; we have not been that for more than a hundred years, since the formation of the Scottish Office.

The key question tonight is: do the official Opposition want the new settlement to work? I am glad that most Conservatives in Scotland have now come round to that point of view, and I hope that their English colleagues will catch up with them.

Mr. Kenneth Clarke (Rushcliffe): The hon. Member for Edinburgh, North and Leith (Mr. Chisholm) has made an entertaining speech. I was entertained by his contribution, but I was also alarmed by it, because it is obvious that he has come here with a light-hearted approach to constitution making.

What worries me about Labour Members is not when they disagree with our opinions, but when they are incapable of seeing that we have any point of view at all. The hon. Gentleman's reaction is that all that we say is slightly irrelevant, that there is no genuine constitutional point and that the whole of our argument can be answered by accusing the Opposition of being English nationalists who are against devolution. New clause 1 is a far weightier matter than that and it will not be dismissed in that way, any more than what the hon. Member for Linlithgow (Mr. Dalyell) says can be dismissed.

I shall anticipate what the hon. Gentleman might reply before he stands up to do so, and say that it is true that for as long as I have been a Member of the House, and a member of the Government as I was until the election of May 1997, I have been an opponent of devolution and a supporter of the United Kingdom Parliament. However, I accept that the Scottish people have decided the question conclusively. I concede that an overwhelming mandate has been given to the present Government to give Scotland its devolved government and parliament, and I come here intending to find a way in which to live in harmony with that Scottish Parliament.

I am an English Conservative and Unionist. It is absurd to dismiss my fears of the Bill and my point of view on the new clause as those of an English nationalist. I am not an English nationalist, and I will not be made into one by the fact that those proposals have come forward. I am not in favour of a federal constitution for the United Kingdom, and I fail to see why I should be converted to the notion of a federal constitution in order to accommodate Scottish Labour Members, who have considerable difficulty in answering the important basic question.

As an English Conservative and Unionist, I believe that it is important that we address the constitutional change in such a way as to determine for all of us that the essential elements of a constitution are in place when we have finished. The first element of a constitution is stability—for a time, until it evolves again. I hate to hear all the talk of the moving picture and where we go next, which seems to be accepted on all sides.

The other important element is constitutional legitimacy for the decisions of Government and the votes of the House, because that is what the enviable stability of the United Kingdom over the past two centuries has

[Mr. Kenneth Clarke]

been based on. The passions and votes on the Floor of the House have never led to the legitimacy of decisions of the House of Commons being questioned.

It ill behoves the House to treat this as a Scottish matter that can be lightly dismissed; there is a serious question, which for 20 years nobody has been able to answer. It is called the West Lothian question and we keep going back to it. I am delighted to take part in a debate with the hon. Member for Linlithgow, who first brought the issue to the attention of the House in the late 1970s, when he represented the constituency of West Lothian. No one could answer the question then and its being asked was the first fatal wound inflicted then on the previous attempt to bring about Scottish devolution. One could see that attempt start to decay as the West Lothian question was not addressed and it collapsed because the then Government's parliamentary majority was no longer sustained by Scottish Members of Parliament. Now the West Lothian question is simply being swept away because, for the time being, the party in power has such overwhelming parliamentary arithmetic in its favour that it has decided that it does not want to answer it. Just like the hon. Member for Edinburgh, North and Leith, the Government like to pretend that the question does not exist.

Dr. Godman: The right hon. and learned Gentleman used the interesting phrase "constitutional legitimacy". Does he agree that the constitutional legitimacy of political institutions is conferred on them by the electorate? What has happened in recent years in Scotland is that the overwhelming majority of the electorate have withdrawn their approval for the constitutional legitimacy of this place. Whether the right hon. and learned Gentleman likes change or whether he favours stability, we need to examine why the vast majority of the people have withdrawn their approval and therefore that legitimacy from this place.

Mr. Clarke: I accept that, for the same reason that I accept that a Scottish Parliament is something to which the House must now give its consent. I accept that the crushing mandate against us was probably produced by the fact that our continuing resistance to devolution made the Conservative and Unionist party in Scotland appear to be an English party. I shall support the efforts of my friend Sir Malcolm Rifkind to give back a Scottish identity to the Conservative and Unionist party.

However, it is not enough to declare that there is a mandate for a Scottish Parliament. The whole of the United Kingdom Parliament must now accommodate itself to that reality, but, within that, it must address the legitimate constitutional fears of those who say that devolution must be put in place without destroying the legitimacy of the British constitution and the legitimacy of all those who sit in the United Kingdom Parliament.

There is another big unanswered question, on which I was tempted to intervene earlier as a former Chancellor of the Exchequer. I refer to the proposed financial set-up, whereby there will be different levels of income tax north and south of the border, and difficulties relating to the maintenance of the Barnett formula and to the role of the Secretary of State in the Cabinet and his ability to defend the Barnett formula or anything like it. That is another big issue, albeit out of order in this debate, but it is dwarfed by the issue we are debating today.

We are told that we have to face the fact that there will still be many Scottish Members of Parliament who have no right whatever to vote on Scottish health, Scottish education, Scottish transport, or Scottish housing, but who will have the full right to vote on those matters where they affect England. That goes absolutely to the heart of the willingness of all our constituents to accept the decisions that come out of Parliament as they always have, no matter how bitter the political debate that has lain behind them.

Mr. John Home Robertson (East Lothian): Why is the right hon. and learned Gentleman so exercised about the prospect of Scottish Members of Parliament being able to vote on English affairs that will not affect their constituents, when he and many other right hon. and hon. Members on the Conservative Benches were quite prepared to vote to impose on Scotland a poll tax that did not apply to their constituents?

Mr. Clarke: That is the argument that has just been put forward by the hon. Member for Edinburgh, North and Leith and I regard it as the political knockabout argument. Of course, for 18 years there was a Conservative majority in this place but no Conservative majority in Scotland, and I voted for measures that were opposed by the majority of Scottish Members of Parliament. Similarly, I have served in a Parliament in which I have bitterly opposed the measures adopted by a Labour Government and lost because the Scottish Members of Parliament provided that Government with a majority. I have not looked up the figures so as to be able to be historically precise, but I should be amazed if it were not the case that between 1974 and 1979, when the Conservatives were in opposition, the then Labour Government were sustained by a Scottish majority for a large proportion of the time.

However, at that time, the Government as a whole were answerable to the House; the Scottish block was something for which the Chancellor was accountable to the House; and how the block was allocated was something that the House could discuss. There have been, until now, intricate arrangements between the two parts of the United Kingdom, which ensured that we all accepted that we did not take apart the Division lists, work out the nationality of the constituency represented and seek to question the constitutional authority of the Government of the day to pursue their aims. Those arrangements are being completely taken apart.

5.45 pm

There is an anomaly, as the hon. Member for Edinburgh, North and Leith frankly conceded. It is an anomaly with which the Scottish Members of Parliament and the Scottish Parliament will no longer have to live, but the English public and English Members of Parliament are being told, "You must live with it, because there are more of you and if you look back into our recent history, you will see that you have not been on the receiving end quite so frequently as the Scottish." That may be a good political argument, although I suspect that it goes down better in Edinburgh than in Nottinghamshire,

but it is not a serious contribution to the making of the constitution of a modern industrial state. Rather than answering the question, that argument shows an inability to do so.

I have followed the debates on the Bill, but not spoken until now. However, the longer we go on, the more glad I am to see a new clause that focuses on the fatal flaw in the proposal. Throughout, the Government have offered but one solution: they have said that they will accept that there will be a reduction in the number of Scottish Members of Parliament. That is an advance, because in all the arguments over devolution in the past, I heard many passionate devolutionists argue strongly against the whole idea of reducing the number of Scottish Members of Parliament; it used to be regarded as an anti-Scottish proposition. However, the Government have moved and offered us some as yet to be determined diminution in the number of Scottish Members of Parliament to deal with the peculiarly anomalous situation of their playing a role in English affairs.

The way in which the Government have done that is utterly absurd. When one asks when we are to have that reduction in the number of Scottish Members of Parliament, it transpires that the parliamentary arithmetic determines that the answer is not yet—we must wait for some time before it happens. It is absurd that the Government's sole response is to shelter behind the alleged administrative difficulties of putting that solution into statute and authorising and instructing the boundary commissioners to go ahead. They argue that, for the time being, they must retain more than 70 Scottish Members of Parliament and promise that that number will, at some point in the future, be diminished.

That is not an answer. It is inevitable that there will be a reduction in the number of Scottish Members of Parliament, but their numbers are not the problem. The heart of the problem is the basis on which they seek to exercise their vote in matters that affect England. I have listened in vain for any solution to that problem from Labour Members, but I believe that my constituents will one day demand an answer.

Mr. Michael Connarty (Falkirk, East): The last part of the right hon. and learned Gentleman's contribution underlines the fact that he is sorely missed on the Conservative Front Bench. Perhaps he will return there one day. He is always precise in his remarks, so can I ask whether he is recommending that Conservative candidates in Scotland should stand on a platform that, if the Conservatives ever return to government, Conservative Members and other Scottish Members of Parliament will be disbarred from voting on any matter to do with England for as long as there is a Scottish Parliament?

Mr. Clarke: My right hon. Friend the Member for Devizes (Mr. Ancram), as the official spokesman on constitutional matters for our party, must be a little circumspect. The new clause asks for an inquiry. Before it is used against me on issues involving a simple Scottish question, I must say that I believe that it is inevitable that the proposition put by the hon. Member for Falkirk, East (Mr. Connarty) is where we shall go. That is my solution. It is only a matter of time before we arrive at that position.

When talking in my constituency, I do not use the example of Linlithgow because I always use the example of Dunfermline, East, the constituency of my successor at the Treasury. It is ridiculous that the Chancellor of the Exchequer, the right hon. Member for Dunfermline, East (Mr. Brown), will have no right to vote on schools, hospitals and roads in his constituency, but will have a right to vote on issues affecting my constituency. That will not be sustained.

It has been said that our constituents are not aroused by that prospect, and that is true. I am disappointed by the fact that there is little public awareness in England of the significance of these constitutional issues. That will change. Time and again, the House has passed legislation on extraordinary propositions and nobody really appreciated what the public reaction would be. The public react when they are at the receiving end of a decision that affects their daily lives. If the Labour party wishes to be cheered up by an example, I can tell them that that is what happened on the poll tax. There was remarkably little interest from the general public—there was a great deal of interest in the House—as we considered that legislation. When it was imposed, we discovered that the British public in both Scotland and England were not indifferent to that change in the way in which they were taxed. It did not last very long.

The first time that something deeply controversial affects the health authority, schooling, higher education or transport system in my constituency and it becomes obvious that it has been done only because the shadow Scottish Members with no responsibility in their own constituencies have imposed it on mine, there will be a strong reaction. It would be ostrich-like to pretend that such a situation will not arise. If, for all time, English Members are to be disbarred from voting on matters of that kind in Scotland—I take no comfort from clause 27(7) which, in theory, deals with that right because it will not be invoked for that purpose because English Members will not vote to impose on Scotland matters within the competence of the Scottish Parliament—sooner or later, Scottish Members of Parliament will be prevented from voting on all the matters where competence has been transferred to Edinburgh whenever English, Welsh or other issues arise. For Scottish Labour Members to pretend otherwise is a mistake. The position of the hon. Member for Linlithgow is honourable and logical. It is what he has predicted for 20 years. He is volunteering for a position that others will have imposed on them before long.

Mr. Hogg: My right hon. and learned Friend has said that his constituents in Rushcliffe will not long tolerate the imposition of measures voted on by Scottish Members. There is a further point that his constituents will wish to keep in mind. The constituents of the right hon. Member for Dunfermline, East (Mr. Brown) will not be affected by the decision that that right hon. Gentleman is imposing on my right hon. and learned Friend's constituents.

Mr. Clarke: My right hon. and learned Friend is right.

There is another matter of slightly less constitutional significance than the voting but which will have a big effect on public opinion. If a Secretary of State for Education and Employment, who happens to be a Scottish Secretary of State sustained by a Scottish majority, imposes a policy that is unpopular in England and the discontented parents of England realise that his policies are not affecting the children of his constituents, it is

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inescapable that there will be high feeling. It is no good saying that it will be English nationalists who raise that view; it will be a potent problem.

Over the first 12 months of Labour rule in this country, various things have happened, but the Government's insistence on rushing through this Bill without addressing this long-asked question is one of the poison pills that may poison their affairs at some time in the future and will certainly poison the affairs of some future Government unless it is addressed. If we are to live with a devolved Parliament—I accept that we shall—the solution is to have an inquiry which comes to the conclusion that Scottish Members must not vote on English issues where English Members will not have a vote in Scotland.

Mr. Edward Leigh (Gainsborough): Will my right hon. and learned Friend give way?

Mr. Clarke: I am trying to be extraordinarily brief by my own standards, so this is the last time.

Mr. Leigh: With respect to my right hon. and learned Friend, his solution that Scottish Members should not be allowed to vote on purely English business is no solution at all. After a general election, a Government will have to be formed based on the entirety of Members of this Parliament. If my right hon. and learned Friend's solution were to be adopted, we would have the absurd situation where Scottish Members were sitting in a United Kingdom Cabinet, voting to impose certain matters on England and then not being allowed to vote in the Division Lobby. The whole point of the West Lothian question is that there is no answer.

Mr. Clarke: That would take us away from the rather monolithic politics of the past few years, but not in the way I desire because I have never been in favour of this change. The Cabinet of the day will have to have regard to its parliamentary majority. We shall have a Government who are by no means sure of their parliamentary majority in many matters affecting English domestic politics. If such a Government wish to remain in office, they will have to accommodate themselves to that. They will have to produce policies that they can get through the House of Commons. That is a problem which all Governments face. We may get an odd version of that in the House in the future if we have a Labour Government who have to accept that they cannot pursue their chosen policies in England in all those areas where they have transferred competence.

I conclude where I began. We must consider not only the narrow issue, but where we are going if the House just passes legislation that does not answer the necessary questions, decides that it is too difficult, gives devolution a go and waits to see what happens next. If that happens, we shall have to come back to address these issues in Parliament before long. Also, we shall see a profound effect on the politics of Scotland and England while the discontent rumbles.

So far, that may not have occurred very much in England, but it is already having a dramatic effect on the politics of Scotland. I regret to tell the representatives of the Scottish National party that I take no comfort from that party's surge in the polls. However I regard SNP Members personally, I see them as a great threat politically.

The Scottish nationalists are to be congratulated on the wisdom of their tactics and strategy. They resisted all the zealots who told them that they should not settle for second best. They have supported this Scottish Parliament all along and have supported the refusal to address issues such as the West Lothian question and separate taxation because, as they usually say, this is a step in the right direction. It is a step in the right direction for them and it will gather momentum. The Government do not have the first idea where they will put their next foot down; they just want to get the Bill through the House.

This is a dangerous and important measure. I congratulate my right hon. Friend the Member for Devizes on getting a day's debate on this matter yet again. Some hon. Members are worried about the status of Parliament, which, in my opinion, is lower than it has been for a long time, with a lack of public regard for Westminster and a diminished role for the House in politics. If people are worried about that, they must take seriously the status of hon. Members and the legitimacy of the House as a centre of national debate. I regret that the Government are not doing that as long as they refuse to address the questions posed by my right hon. Friend the Member for Devizes in his new clause.

Mr. Dennis Canavan (Falkirk, West): I welcome the assertion of the right hon. and learned Member for Rushcliffe (Mr. Clarke), the former Chancellor of the Exchequer, that he is not an English nationalist. As a fellow internationalist, I can tell him that I respect the rights of the people of England to as much self-determination as they want, in the same way as I respect that right for the people of Scotland. We should view the debate in that context.

I am not absolutely opposed in principle to examining the future role of Scottish Members of Parliament in this place after the setting up of a Scottish Parliament. However, I disagree with the new clause in two main respects. First, I disagree with the time restraint put on the review, of 12 months after the passing of the Act. Secondly, I disagree with the targeting of that examination on Members of Parliament representing Scottish constituencies. The examination of the future role of Members of Parliament must be considerably wider than looking only at those representing Scottish constituencies.

I also question the need to provide for such a review in the Bill and the motives of the Opposition in tabling the new clause, especially because they did not come up with any reasonable answers to the many questions that they put and which they think that the review should deal with.

The alleged problem is the West Lothian question, but there is nothing new in it. For more than half a century, Northern Ireland had its own Parliament. Presumably, there was a West Belfast question, but I do not recall a Conservative Member—indeed, any Member of Parliament—raising it.

6 pm

Mr. Hogg: The hon. Gentleman will perhaps accept that he is wrong. There is a fundamental difference for two reasons. First, as I said to the hon. Member for Ross,

Skye and Inverness, West (Mr. Kennedy), Ulster Members were much fewer in number at the time of Stormont. Secondly, they did not generally vote, save on Northern Ireland business. To their credit, that is not true of Scottish Members, who vote on English business. Furthermore, they are disproportionately represented.

Mr. Canavan: If the right hon. and learned Gentleman read clause 81, he would see that Scottish representation in this place will be reduced. The electoral quota for Scotland will be similar to that for English constituencies.

Mr. Hogg: The hon. Gentleman has not grasped the point. If he read clause 81, he would see that the English quota is being applied. In the time of Stormont, the number was lower than would have been justified by the English quota.

Mr. Canavan: The boundary commission may consider that matter in the light of experience. The right hon. and learned Gentleman also mentioned the voting habits of Northern Ireland Members. I have not looked through every *Hansard* from when Stormont was set up, but it is a well-known fact that the majority of Northern Ireland Members were Ulster Unionists, who favoured the Conservative and Unionist party when they voted.

Mr. Dalyell: Will my hon. Friend take it from me that Harold Wilson did his proverbial nut over a crunch issue in relation to steel nationalisation? Woodrow Wyatt and Desmond Donnelly defected, but the then Prime Minister believed that the Northern Irish, who were not affected, should have a say on that delicate matter.

Mr. Canavan: I can understand Harold Wilson's point. There may be objections to the voting habits of Scottish Members of Parliament in this place, especially after a Scottish Parliament is set up. There may be objections to our current voting habits, but I shall deal later with how that matter might be addressed.

There is nothing new in the West Lothian anomaly in the British constitution. A similar anomaly was tolerated for more than half a century in Northern Ireland. The right hon. Member for Devizes (Mr. Ancram), who was a Minister of State in Northern Ireland, favours the principle of devolution for Northern Ireland, and most, if not all, Conservative Members favour the restoration of a Northern Ireland assembly or Parliament. There may be a restoration of the West Belfast question, but Conservative Members do not seem to be obsessed by that.

There are similar anomalies in other countries. No doubt there are Catalonia and Andalusia questions in Spain, because its autonomous regions do not all have the same powers. Such asymmetrical decentralisation or asymmetrical federalism sets up anomalies which sometimes lead to alleged injustices, but anomalies in the status quo also cause allegations of injustices. The status quo is an asymmetrical Union, because the Union between Scotland and England is between two countries of unequal populations and, at times, different political complexions and different political traditions.

During the 18 years of Tory rule, many laws were foisted on the people of Scotland against the wishes of the majority of those people and against the wishes of the majority of their elected representatives in this place. There were specifically Scottish Bills on housing, education, the health service, and, worst of all, the poll tax. Even the former Chancellor, the right hon. and learned Member for Rushcliffe, seemed to forget that the poll tax was introduced in Scotland a year ahead of England, under a separate Scottish Bill. The Scots were used as guinea pigs and rightly felt grave injustice about that.

Mr. Grieve: I am much obliged to the hon. Gentleman and am interested in his comments. I accept what he says; curiously, the idea behind the Union was harmonisation, except in selected areas, between laws and practices in England and in Scotland. Does he agree that legislating separately for England and for Scotland on a wider and wider range of issues has driven a wedge and promoted devolution?

Mr. Canavan: Is the hon. Gentleman seriously suggesting the abolition of Scots law? That seems to be the logic of his remarks. There would be massive opposition. Anomalies in the existing constitution resulted in the perpetration of injustices such as the poll tax which reinforced the case for a Scottish Parliament and was part of the reason for our magnificent majority in the referendum last year.

Mr. Gerald Howarth (Aldershot): The hon. Gentleman cannot be allowed to get away with the endless canard that the poll tax was introduced in Scotland to inflict a guinea pig experience on it. There was a change in local government finance in Scotland because a revaluation of property caused absolute mayhem. People had to pay hundreds of pounds more or even thousands of pounds more after the revaluation, which occurred a year before the English revaluation.

Mr. Canavan: The hon. Gentleman is parroting the excuses that were given at the time and is trying to rewrite history.

The main issue arising from the new clause is, what is the answer to the West Lothian question? The Liberal Democrats say that the answer is federalism, which is a neat and logical answer. Federalism may evolve, if the people of the constituent parts of the United Kingdom want that, but the people of Scotland cannot be expected to wait for people south of the border to make up their minds about what type of decentralisation or home rule they want before a Scottish Parliament is set up.

Mr. Leigh: Sadly, the federal solution, which is another neat solution, is no solution at all. It depends on the assumption that areas or regions of England, like Bavaria in Germany, have an historical basis. There is no such thing as the east midlands region. People in my county of Lincolnshire do not want to be run by a meaningless Leicester Parliament. We want to be run by a London, national Parliament.

Mr. Canavan: The hon. Member for Gainsborough (Mr. Leigh) should not get it into his head that he speaks for England. The Tory party does not speak for England. I am prepared to listen to the views of people from the various regions in England about what they want. The hon. Member for Billericay (Mrs. Gorman) recently came up with the idea of a Parliament for the people of England.

[Mr. Canavan]

That may be a feasible proposition in a federal context at some time in the future, if that is what the people of England want. People in the regions of England may not want to be completely ruled from London, as the hon. Member for Gainsborough suggested. They may want a more decentralised form of federalism than a federation of England, Scotland and other parts of the United Kingdom.

Mr. Grieve: The hon. Gentleman said that the people of Scotland should not be required to wait while this issue is sorted out at the English end. I accept that the Scottish people have taken a decision in the referendum and are entitled to have their Parliament. Is it not regrettable that the Government have not addressed this issue, although they have had 12 months to do so? The Bill introduced by my hon. Friend the Member for Billericay was not to establish an English Parliament but to inquire of the English people whether they want to have a Parliament.

Mr. Canavan: The issue must be addressed not just in the context of the Bill but in relation to the role of all Members of the Westminster Parliament after the Scottish Parliament becomes a reality.

I emphasise that some people underestimate the difficulty and the time that it would take to deliver federalism. It would require us to write down, for the first time in history, the entire British constitution. That would be no mean feat, and getting it through this place or putting it to a referendum of the people of the United Kingdom would be a formidable task. It is not impossible, but it could not be rushed through both Houses of Parliament or put to the people in a referendum in a matter of weeks. It may be done in the fulness of time, but the people of Scotland will have their Parliament next year. I am pleased to hear that even the Tory party now belatedly accepts that.

What will Members representing Scottish constituencies do at Westminster after the establishment of a Scottish Parliament?

Mr. Eric Forth (Bromley and Chislehurst): That is a very good question.

Mr. Canavan: I agree. A whole host of reserved matters will still be the responsibility of this Parliament, and will affect the constituents of Members of Parliament who represent Scottish constituencies. Reserved matters such as foreign affairs, international development, defence, social security, macro-economic issues and many others are listed in the appropriate schedule to the Bill.

Mrs. Gorman: I thank the hon. Gentleman for giving me an opportunity to clarify this issue. As he pointed out, fund raising for the whole of the United Kingdom will continue to be decided in this Parliament. English taxpayers will still be expected to stump up a great deal more per capita for people in Scotland. That power may be in the hands of a Scottish Chancellor—backed up by a Scottish team in his Department, as is the case now—who funds Scotland at a better rate than England. That will undoubtedly lead to great annoyance among my constituents in Billericay. I have not heard anyone in the Government explain how they will overcome that problem.

Mr. Canavan: The Chancellor of the Exchequer is a Scot, but his responsibilities as Chancellor are to all the people in the United Kingdom, not merely to the people of Scotland. The distribution of public expenditure throughout the United Kingdom should be done on the basis of population and need. It is not correct to allege that Scotland receives an unfairly large amount of public expenditure compared with England. There may be counter-allegations in Scotland about the Scots having to subsidise public transport in London, for example. I am not opposed to subsidising public transport in London: I use it occasionally. However, the overriding principle should be a distribution of funds based on population and need. It is not helpful to the argument to stir up unrest between the various nations that make up the United Kingdom.

6.15 pm

Mr. Swinney: The hon. Member for Billericay (Mrs. Gorman) raises an old sage in the argument about funding for Scotland and for the rest of the United Kingdom. Before the last election, studies were published, admittedly by the Conservative Secretary of State, that had been produced by independent consultants who compared public expenditure in Scotland with that in England and found that the difference was negligible.

Mr. Canavan: I have not studied the figures in detail, as the hon. Gentleman probably has. Evidence to that effect was undoubtedly produced by the Treasury during the previous Parliament.

Mr. Jenkin: That is fiction.

Mr. Canavan: If it was fiction, it was Tory Government fiction.

I should like to return to my train of thought before I allowed interventions. Members of Parliament representing Scottish constituencies will obviously be able to vote in this place on reserved matters: there is no problem about that. The problem would arise if Scottish Members voted on non-reserved matters: matters which, for the Scottish people, will be the responsibility of the Scottish Parliament, but, for English people, will still be the responsibility of this Parliament. That would result in complaints, especially if Scottish representation were to affect the outcome of votes in this Parliament or, even more so, if it affected which party became the party of government after a general election.

Under the proposals in clause 81, the boundary commission will reduce the number of Westminster constituencies in Scotland. That will reduce the possibility of Scottish Members affecting the outcome of a vote in this Parliament, but it will not get rid of it entirely. I predict that there will be a continuing debate on this matter in this Parliament, and there will inevitably be demands from the people of England as a whole or from the English regions for greater decentralisation of power. I would welcome that. When the people of England wake up to the consequences of this legislation and the desirability of decentralisation to their own regions, that will be the time to review the role of this Parliament—not the role of Scottish Members in isolation, but the role of this Parliament as a whole and its relationship with other Parliaments and other assemblies throughout the United Kingdom. I see the Bill not simply as a proposal for radical constitutional change in Scotland, but as the

forerunner of further radical constitutional change throughout the United Kingdom, and I would welcome that.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Back-Bench speeches so far have averaged more than 20 minutes. It is obvious that not every hon. Member who is trying to take part in this important debate will get in if that average is maintained. May I appeal for shorter speeches and briefer interventions?

Mr. John MacGregor (South Norfolk): I hear what you say, Sir Alan, and I shall take as few interventions as I can.

The hon. Member for Falkirk, West (Mr. Canavan) rightly said that there would be continuing interest in this matter in Parliament and, if necessary, beyond. Perhaps he underestimates just how much keen interest there will continue to be. We are seeing today what we have predicted all along, which is that the Government have unleashed forces whose development they simply cannot control.

What the Secretary of State is worrying about today is the rise of the Scottish National party in the opinion polls—the lead that it now has—and the possibility that he may not command a majority in the first Scottish Parliament. He should be much more worried about the issue that we are debating today, as it is the most fundamental question in the Bill. I find it astonishing that so few Labour Members from English constituencies are present—none so far, in fact.

Mr. Jim Cousins (Newcastle upon Tyne, Central) *indicated dissent.*

Mr. MacGregor: One has arrived at last, no doubt because the Walworth road bleeper told him to. If not, that suggests that Walworth road itself cannot see the importance of this matter to English Members of Parliament.

I spoke on the Second Reading of the first devolution Bill in the late 1970s. As a comparatively new Member, and as a Scot who represented an English constituency, I focused on two issues that I still consider fundamental: the fact that the Barnett formula, which had then been recently introduced, gave disproportionate per capita public spending to the people of Scotland, and—above all—the West Lothian question.

I do not suppose that anyone listened to me much then, because I spoke at 7 am after an all-night sitting; but those who were there will recall that there were several all-night sittings on Second Reading. Characteristically, the hon. Member for Linlithgow (Mr. Dalyell) was there. I have subsequently admired the way in which he has pursued the West Lothian question, and brought it to national attention.

I have also waited with interest to see whether the Labour party—now the Government—would find an answer to the dilemma. The Government have not produced one, because they simply do not have one. It is the deep black hole in all their proposals. No doubt that is why they tried to curtail debate on the issue to just 50 minutes in Committee.

Mr. Dewar: Not true.

Mr. MacGregor: It is true, and I am glad that we have a whole day to debate it now.

Having set course for a Scottish Parliament, the Government will be forced to a conclusion that they do not want.

Mr. Donald Gorrie (Edinburgh, West): Will the right hon. Gentleman give way?

Mr. MacGregor: Not at the moment.

The Government will be forced to a conclusion that they do not want, because public outrage at their proposals for English constituents, coupled with the logic of the situation, will make that conclusion impossible to resist.

My only other speech on the matter was on the Barnett formula and public expenditure, in which English Members have a reasonable interest. Interestingly, I was criticised by several Scots for having the audacity to intervene in a Scottish debate, and for speaking only at that stage. I hope that the same point will not be made today, as there is massive English interest in the issue. It is vital that we should speak for the interests of the 90 per cent. of the population who will be affected, including the people of Norfolk and my constituents.

It would be interesting to ask those who objected to my participation in that Scottish debate, in which I had a legitimate English interest, what they imagine the feeling in the House will be when Scottish Members try to speak on English matters while there is no possibility of our being involved in Scottish matters. What happened to me seemed clearly to indicate what is likely to happen, and I hope that they see it in that way.

There are four options before us. I want to be constructive. I stress that I did not want to go down the road that we are taking, but the Scottish Parliament is going to happen. We must accept that, and everything that flows from it is the responsibility of the Government.

The first option is the status quo, but that is totally unacceptable and unsustainable. The arguments against it have been so well deployed—particularly by the hon. Member for Linlithgow—that I need not dwell on them. It will daily become more obvious that it is unsustainable for Scottish Members to be able to vote, and, perhaps, speak, intervene or ask questions, on English matters in a future Parliament. It will not be enough for them to offer to exercise restraint, as the Stormont MPs did—that has already been discussed—and, indeed, I do not think that they will do that. It is obvious that the self-restraint shown by Ulster MPs will not be shown by Scottish Labour Members.

The position will not be just an anomaly, as the hon. Member for Edinburgh, North and Leith (Mr. Chisholm) said; it will be a constitutional outrage. It has not had a great deal of attention in the English press—most of the Bill's coverage has been in the Scottish press—but, whenever I tell my constituents what the West Lothian question involves, they are outraged. It will quickly become an issue when we see it happening week after

[Mr. MacGregor]

week in practice. My right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) was absolutely right about that. The status quo is unacceptable, and it will not last.

The second option is regional development agencies, or regional assemblies. The Government have, in my view, put those ideas up as a sop, a fudge and a smokescreen, to suggest that they are an English alternative. The Minister for the Regions, Regeneration and Planning said in *The Scotsman* that regional assemblies would, by definition, be the answer. According to him, the more power is devolved to the regions, the more that answers the West Lothian question, but that simply does not add up. It is nowhere near right, for four reasons.

First, we know that the Government will introduce regional assemblies in a spasmodic way, where there is clear demand for them. There will not be a uniform response in England, and assemblies cannot therefore be an answer to the Scottish Parliament.

Secondly, we must accept that there is no regional coherence, or sense of national belonging, in the English regions, as there is in Scotland. The people of Norfolk do not identify with the people of Essex or Hertfordshire in the same way as the Scots, in relation to their national feeling about a Scottish Parliament.

Thirdly, there is no demand for assemblies in many parts of England. I know that there is demand in the north-east, and, possibly, in one or two other northern areas, but there is no demand in East Anglia, except from a few Labour councillors and a few officials who see big opportunities for further personal advancement. The ordinary population does not want another layer of bureaucracy. There is no demand, and it simply is not an answer to the question of the Scottish Parliament.

Mr. Robathan: How many letters has my right hon. Friend had from constituents putting the case for a regional assembly? Is it as many as I have had, which is none?

Mr. MacGregor: That was exactly the point that I was going to make. Not only have I had no letters, but assemblies have never been mentioned at all by constituents, except by those who oppose them. I do not think that Government policy stands up on that ground. That is why we will not see regional assemblies all over England, and that is another reason why assemblies will not be equivalent to the Scottish Parliament.

My fourth point is the one that matters most. Assemblies do not address real issues of comparability. Regional development agencies and assemblies will not remotely measure up to the range of issues, responsibilities and powers of the Scottish Parliament. RDAs will not cover most of the domestic issues that are being devolved to the Scottish Parliament. Even if they did, they would not control them, but would remain subject to decisions made in Parliament and Whitehall. They would not have the autonomy that will exist in the Scottish Parliament.

Let me turn to expenditure. I do not think that there is any suggestion that regional assemblies or RDAs should be given a block grant, which they could deploy as they wished, to cover not only the issues with which are supposed to deal, but all the issues to be covered by the Scottish Parliament. I have not heard that suggested. There is no equivalence there, and I do not believe that that would ever happen.

RDAs and assemblies will not have powers over primary legislation. It is ludicrous to imagine that 10 English regional assemblies will replicate what the Scottish Parliament will do in terms of primary legislation.

The mind would boggle at the inconsistencies, anomalies, complexities and unworkable arrangements that would arise if the regional assemblies had primary legislative powers, so there is simply no case for saying that devolution to the English regions is the equivalent of a Scottish Parliament, as the Government have sometimes tried to pretend.

I come to the third option, which is the variety of solutions for addressing the problem in this House. That is what the new clause is directed at, and I certainly welcome it. I hope that it takes us a good deal further in the debate. My only caveat about it is that the powers to conduct the review have been given to the Secretary of State. Given the fact that he does not want to address this problem and has shown no sign of addressing it for 20 years, I cannot see that he will come up with a constructive solution that will be appropriate, but it is right for him to try and therefore I welcome the new clause.

6.30 pm

It is right to examine—I put this point in all seriousness to the Secretary of State—whether a satisfactory answer to the issue can be found before the Scottish Parliament goes ahead. It would be outrageous for it to do so on any other basis. That is why I strongly support the new clause. However, there are considerable difficulties in finding a solution in this House.

An English Grand Committee certainly would not add up because it would not have anything like the powers of a Scottish Parliament and would not deal with the issues about the two types of Members of Parliament. If one further examines how, apart from an English Grand Committee, this matter could be dealt with, there are many problems, including defining what legislation the body applies to and who decides. It would clearly be wrong, if there were any vote in the House on the matter, for Scottish Members to have a vote on it.

As I know only too well as a former Leader of the House, there would be formidable timetable problems in trying to have differences day by day in the way in which who could speak and vote would work out. There are the problems of the two types of Member of Parliament—those who would not be able to vote, speak or take part in many debates in the Chamber and those who rightly would. We shall have the problem of two types of Members of Parliament anyway, as has constantly been pointed out, but to try to find a solution to the West Lothian question in the House would make those problems much more difficult.

Above all, there is the problem of Government control. If, not in this Parliament, but, as the hon. Member for Linlithgow envisaged, in many situations in other Parliaments, Scottish Members of Parliament had the controlling vote, clearly, the Government of the day might

be able to command control over all the issues that are reserved to the House, but not the English issues that came to the Chamber. The Government could lose half their agenda, which is, of course, precisely what the Labour Government fear and why they will not go down that route. A fundamental problem has been unleashed by the Scottish Parliament.

Therefore, it is essential to try to find out whether we can find a solution. I wish the new clause well, but I suspect that we will be driven to the only sensible and logical conclusion—I say sensible and logical not because I want this conclusion, but because it has been forced on us by the Government's decision: it is the fourth option of an English Parliament to mirror the Scottish Parliament. I pay tribute to my hon. Friend the Member for Billericay (Mrs. Gorman) for the Bill that she introduced on the matter.

I emphasise that I do not want an English Parliament. It is another layer of bureaucracy, but I am driven to that conclusion—and I have thought about this for 20 years—because, now that the Government have gone down this route, it is the only way in which to bring fairness to all English constituents and to ensure that we do not have the complete nonsense that we have all predicted for future Parliaments.

That is exactly what the Labour Government have unleashed. I warn them that, just as they are running into difficulties in Scotland, so they will run into difficulties on the issue of an English Parliament—which is feared by them; I do not think that they want that solution, and it is easy to see why—and sooner rather than later. That is why this is such an important debate and why it is a fundamental issue in the Bill.

Dr. Godman: I promise to be brief.

My two criticisms of the new clause have been voiced already my hon. Friend the Member for Falkirk, West (Mr. Canavan): the timing of the review, which is to take place less than 12 months after we get things going, and the fact that it is confined to Scots Members. If we receive the result that all hon. Members must be hoping and praying for on 22 May in Northern Ireland, might we not be listening to Conservative Members arguing that we need to review the powers and functions of Members of Parliament from Northern Ireland, from Wales and from Scotland, and why not add to that English Members?

The right hon. and learned Member for Rushcliffe (Mr. Clarke) argued a powerful case for stability that is based on constitutional legitimacy. He spoiled his advocacy by saying ad hominem that Scots Members treat this serious and remarkable legislative measure frivolously. Speaking as a federalist—I have been a federalist all my adult life—and as someone who has advocated all his adult life the need for electoral change and proportional representation, I assure him that I treat this matter with the seriousness and gravity that it warrants. I put him straight on that point.

Our constituents would not allow us to treat this matter frivolously. The setting up of the Scottish Parliament is of the greatest import to them and they know as well as any Tory Member not only that there are intended consequences of this legislation, but that there will be unintended consequences. That is inevitable with all sorts of legislation.

The right hon. and learned Member for Rushcliffe seemed to agree that constitutional legitimacy is conferred on political institutions and legislatures by the approval of the electorate or of a majority of the electorate. I think that Max Weber argued that literally decades ago—that an institution is legitimate in so far as it receives the support of people; he was talking about mature parliamentary democracies.

What has happened in Scotland, certainly in my time in this place, is that that legitimacy, to which the right hon. and learned Gentleman referred in an honourable and fair-minded way, has come under serious question. It suffered severe diminution during 18 years of Conservative Administration because the Administrations of which he was a member refused to check the legitimacy of what they were doing with the Scottish electorate, and they paid the price.

As someone who has advocated proportional representation for many years, I say that it is unfortunate that 500,000 Scots voted for Conservative candidates in the last election, yet do not have a single Scots Conservative Member. With the system that we are going to introduce into the Parliament, there will be Conservative Members in Edinburgh; I hope but a few—I think that there will be a handful. Perhaps one will be the son of the right hon. Member for South Staffordshire (Sir P. Cormack). Therefore, the legitimacy to which the right hon. and learned Member for Rushcliffe referred has largely gone in the eyes of many of my constituents.

In many Scottish constituencies, Labour Members are not concerned in general elections about the threat posed by Conservative candidates; the Scottish National party poses the greatest threat to us. The right hon. and learned Member for Rushcliffe paid a fine compliment to the Poujadists of the SNP by mentioning their political astuteness, and there may be something in that. I have in the past complimented them on their very honourable and rigorous adherence to peaceful and democratic change of a most dramatic nature.

I believe, like my hon. Friend the Member for Linlithgow (Mr. Dalyell)—although my view is not as bleak as his—that we in Scotland, and others elsewhere in the United Kingdom, are going down a constitutional road that forks, and that it will be one way or the other for us, especially for those of us in Scotland. In one direction lies independence and a separate Scottish state, as an independent member state of the European Union. In the other direction lies federalism.

We have spoken much about legitimacy in debates on the Bill. Despite the legitimate objections to federalism offered by my hon. Friend the Member for Falkirk, West (Mr. Canavan), I think that we shall eventually have a federal system in these islands that we share. We sit in a Parliament of a multinational state. I cannot say that the people of some of those nations—certainly not the people of Scotland—have been frustrated by this place or by our Executive of the past 18 years, because frustration is too mealy-mouthed a word. They have been gravely disenchanted, and now have a sense of alienation from our constitutional institutions.

It may well be that we have a serious problem in the West Lothian question. However, in the near future, are we to have a West Belfast question, or a Cardiff question?

[Dr. Godman]

Why is it that, when talking about subsidy junkets, some Opposition Members always refer to Scotland and not to Wales or Northern Ireland?

Ms Roseanna Cunningham (Perth): Or London.

Dr. Godman: Yes. I sometimes think that we should have devolved London, so that the rest of us might live happily ever after. However, it is too late for that.

We are experiencing remarkable constitutional change, and Scottish devolution is only a part of it. As one who is fairly knowledgeable about events in Northern Ireland, I certainly hope that there will be a resounding yes vote on 22 May, so that we shall be able to establish an assembly there. If there is a yes vote, north and south of the border, the House will in the very near future have to consider legislation on a Northern Ireland assembly. I believe that the number of representatives envisaged for that assembly is too high, but that, in the course of time, that number will be changed—just as the number of Scots Members in this place may well be changed. An argument could be made also for reducing the number of Members of the Scottish Parliament in the Edinburgh Parliament. In the fulness of time, we shall debate those issues, both in this place and elsewhere.

It is incumbent on Opposition Members to pay close attention to our constituents' aspirations. If some of the measures advocated by Opposition Members were to be implemented, an unintended consequence would be to drive many people in the west of Scotland into the, some might say, seductive embrace of SNP Members—whom, some years ago, I described as Poujadists, exploiting people's discontents with any type of government.

Mrs. Gorman: The hon. Gentleman is implying that there is innate alienation between those of us who live in, work in and represent English constituencies and those of us who live in, work in and represent Scottish constituencies. There is no xenophobia among the English on that issue—as witnessed by the fact that, although almost 150 hon. Members are Scottish-born, more than half of them represent English constituencies. That has caused absolutely no contentiousness in the past, and I hope it will not cause any in the future. However, with the introduction of this legislation, hon. Members' origins and which constituency they represent have become contentious issues.

6.45 pm

Dr. Godman: With deep respect to the hon. Lady, I suggest that she goes back to the "Shorter Oxford Dictionary", because there is a world of difference between alienation and xenophobia.

Although I was born in Yorkshire, of Scottish and Irish families, I have said—not only in this place, but in many other places, including Northern Ireland—that I admire the stoicism and honour that the English people have shown in relation not only to Northern Ireland but to events in Scotland. It is remarkable that so many hon. Members born in Scotland represent—ably—English constituencies. Moreover, Labour Members who were born in Scotland but represent English constituencies have assured me that they are rarely described pejoratively as "jocks" and that they are properly assessed on their performance as elected representatives, which is as it should be.

Yes, during 18 years of a Tory Government, undoubtedly there was alienation. There was deep anger about the poll tax in my constituency—where, in the most recent general election, many people said, "If Labour loses this time, Norman, it will be the SNP and separation for us." Which of my hon. Friends, especially those from the west of Scotland, will deny that that was repeatedly said to them on the doorstep in the general election? Time and again, they were told, "This is your last chance. We want a Labour Government, but if the English do not produce one, we shall turn to the SNP."

Mr. Maclean: Might not the hon. Gentleman himself be confusing alienation with a lack of democratic legitimacy? Does he believe that the electorate who vote for us give us democratic legitimacy, and that that is a key part of the question? What gives us democratic legitimacy is the fact that—despite slight differences in our constituencies, such as their size—each hon. Member has an equal voting right in this Parliament as currently constituted. Does he agree that, once a situation develops in which hon. Members no longer have equal rights in dealing with one another and in voting on issues, all vestiges of democratic legitimacy will be removed?

Dr. Godman: No, not at all. Although there is something in the right hon. Gentleman's comments on individual elected representatives being given legitimacy by the votes that they receive in elections, I do not know of a single nation that has moved towards a federalist constitution in a purely symmetrical manner. One might argue that that happened in the former West Germany, but let us not forget what preceded those political developments. All those issues will have to be examined.

As someone who has been an hon. Member since 1983, I believe that I—compared with English Members who have voted on exclusively Scottish matters for the past 14 or 15 years—have a hell of a long way to go in catching up by voting on exclusively English issues. The rationalisation of the poll tax offered by the hon. Member for Aldershot (Mr. Howarth) did him no honour. The tax was introduced a year earlier for our constituents than it was for those south of the border. The Tory party has never been forgiven for that.

The change will present us with the problems outlined so ably and honourably by my hon. Friend the Member for Linlithgow, but we need not be so gloomy in our prescriptions. In the long run, I think that the answer is in federalism. The four secessionists on the Opposition Benches—I am referring to the four SNP Members—will say that the answer is an independent Scottish nation alongside the nations of the European Union. I happen to disagree with them profoundly, but I compliment them on the way they have made their case. Incidentally, they are going to lose in May next year, certainly in Inverclyde, but if it is any consolation to them, the Conservative candidate will be out of sight, perhaps deservedly so, because of the Conservative record in Scotland.

What I am saying—[HON. MEMBERS: "Get on with it."] The Conservatives do not like what they are being told. They denied that they were English nationalists, but the truth was offered by the hon. Member for Ross, Skye and

Inverness, West (Mr. Kennedy), who said that the Conservatives' concerns were shaped to a considerable extent by naked self-interest. I would suggest that that naked self-interest is fuelled by the fear that they will never again rule in a unitary state known as the United Kingdom. That is what disturbs them.

Mr. Alasdair Morgan: If the hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy) is to be believed, I speak as either one of the hounds or one of the hares of the Scottish National party—whichever it is, we are certainly running at the moment. I shall attempt to be brief because I know that many hon. Members of the party that forms the official Opposition, certainly in this House, wish to go on at some length, and I should not dream of stopping them.

The new clause is an attack on the very principle behind the Bill. Almost without exception, all the speeches and interventions, although disguised as worry about the so-called West Lothian question, have basically been attacks on the principle of the legislation. It is said that there is an anomaly in the Bill, but no one has offered any solutions, with the possible exception of the right hon. Member for South Norfolk (Mr. MacGregor).

Conservatives have used the West Lothian question as a symbol, something that has typified the House's approach to devolutionary legislation for the constituent parts of the United Kingdom for many years. Of the 1893 debate on the Government of Ireland Bill, Joseph Chamberlain said that the question whether Members should be in or out—the West Lothian type question—was not a technical point but

"the symbol and flag of the controversy".

He later said:

"I used that point to show the absurdity of the whole scheme."

Today, the West Lothian question needs to occupy us for six and a half hours so that the Tories can show their opposition to the whole concept.

The Conservative party had 18 years to come up with some kind of solution. It should have known that there was a problem in Scotland waiting to be addressed, and that perhaps brought some anomalies along with it from the Conservative point of view, but it spent no time thinking about those anomalies. It ignored them in the hope that they and the Scottish people would go away. The fact that the new clause is just an excuse for six and a half hours of whingeing about the concept behind the Bill is clear from the new clause itself.

The new clause asks the Secretary of State to carry out a review—I am not quite sure which Secretary of State, but it does not really matter. I suspect that any Secretary of State could produce a review tomorrow, and we could then get on. Let us not kid ourselves that the Tories genuinely want the new clause to be added to the Bill. I suppose it is another example of what is called a probing amendment.

Mr. Grieve: Does the hon. Gentleman agree that if he were to support the new clause and if it were accepted, it would have no effect on bringing the Scottish Parliament into being, but it would enable the House to address, after an inquiry by the Secretary of State, the whole of what is known as the West Lothian question—and is it not precisely the English dimension of that question that is never debated in this House?

Mr. Morgan: The hon. Gentleman is wrong. Coincidentally, his colleagues have also tabled amendment No. 2, which we are considering at the same time. That would stop most of the Bill coming into effect until the review had been published. The purpose is to delay implementation of the Bill.

As we have heard, the constitution of this country is riven with anomalies of which, in other circumstances, hon. Members are very proud. They are proud of the eccentricities of this country's constitution. Let us consider the anomaly of the other place in this very building. It is in no way representative of the UK or of any cross-section of its population. Until the 1960s, Scotland was represented there by only 16 peers, while the rest of the House of Lords was representative of England, Wales and, of course, Ireland. However, that anomaly apparently did not need to be sorted out.

What about the lack of proportional representation which, as happened in the second election after the second world war, could lead to a Government being elected even though they had fewer votes than the main Opposition party? What about Stormont? Perhaps Stormont Members of Parliament did not always use their ability to vote on legislation that did not affect Northern Ireland, but no one said that that should be written into UK legislation.

One anomaly for the people of Scotland was the poll tax, which has already been mentioned. A much more recent example of an anomaly is the reorganisation of local government in Scotland, which led to water being taken out of the control of local authorities. That change was opposed in the referendum in the Strathclyde region. Despite what the then Secretary of State for Scotland said, the people of the Strathclyde region voted massively against the proposal. In this place, however, hon. Members not from Scotland but from other parts—basically England—voted to press ahead.

The hon. Member for Edinburgh, North and Leith (Mr. Chisholm) referred to another anomaly whereby, because so little time is spent in this House examining Scottish matters, Scottish Members are hardly ever able to scrutinise the business of the Scottish Office which currently exercises so many functions in Scotland. Apparently, we are supposed to accept that.

If there is an anomaly in the legislation, its extent and nature have been considerably exaggerated. Only twice this century—from 1964 to 1966 and for six months in 1974—have Scottish Members determined who would form the Government of the United Kingdom. Such a situation is not a problem in other countries.

An anomaly already exists because Scotland and England have different health and education systems. Scottish Members may vote on a change to the English education or health system which, even under the current set-up, will mean no comparable change in the situation in Scotland. There will be an English education Act or an English health Act on which Scottish Members may vote with the apparent approval of all hon. Members, yet there is no comparable change at the same time in Scotland. That, apparently, is not an anomaly—it is acceptable.

Mr. Andrew Rowe (Faversham and Mid-Kent): That is a very different anomaly altogether. The truth of the matter is that English Members would be able to vote on the Scottish legislation relating to health and education on a subsequent occasion. That will not be the case under the present system.

Mr. Morgan: That is a strange sort of quid pro quo. I think that the hon. Gentleman is saying, "It is all right;

[Mr. Morgan]

we shall let Scottish Members vote to change the English health or education system provided that, at some later stage, in the years to come, we can vote to change a wholly different system and that that will balance things out and stop us getting letters of complaint from our constituents about Scottish Members voting on the English health or education system." The truth is that, at present, Scottish Members vote to change the education system in Norfolk or anywhere else in England without any guarantee of a comparable change to the education system north of the border, particularly as the Scottish education system is so different.

The position of the Scottish National party is quite clear. We would solve the problem by having no Scottish Members here on any day of the week. However, as long as the United Kingdom Parliament retains legislative competence over all matters—let us be clear that clause 27(7) retains the right for the House to legislate on anything in Scotland—we need Scottish Members at Westminster.

7 pm

Let me remind anyone who believes that Scottish Members should not vote on English matters that those English matters are paid for out of United Kingdom taxes, which are contributed to in equal terms—I would say proportionately greater terms—by the people of Scotland. As long as we continue to subsidise the affairs of the City of London and Greater London, we must continue to have a voice at Westminster.

Finally, I wonder whether Conservative Members have considered how today's debate is being seen in Scotland. It will be seen precisely as the Conservatives carrying on as they did from 1979 until last year. I am glad that the debate will continue for six and a half hours, as every hour that passes will drive home the message to the people of Scotland and will undo any good that the former Member for Edinburgh, Pentlands will achieve in his reorganisation or reinvigoration of the Scottish Tory party. I am sure that he will wring his hands as he listens to the speeches of Conservative Members.

Mr. Savidge: When I last spoke in a debate on the Scotland Bill, I expressed the fear that I was liable to repeat arguments that I had used before in the House, and not just those of other hon. Members. However, the right hon. Member for Devizes (Mr. Ancram) and my hon. Friend the Member for Linlithgow (Mr. Dalyell) did not let that stop them using arguments that we had heard before.

When I heard my hon. Friend the Member for Linlithgow say that he did not believe in snap, instant answers, the thought crossed my mind that, whatever else it was, the West Lothian question was certainly not a snap, instant question. Conservative Members claim that insufficient time has been devoted to discussing the West Lothian question, but most people in Scotland will feel that it has been discussed for years and years. Some hon. Members feel that it has been discussed for years and years this afternoon.

Let me begin a brief West Lothian question and answer session by repeating the West Lothian answer. The people of West Lothian voted in favour of it by nearly 80 per cent. With great respect to my hon. Friend the Member for Linlithgow, he should consider that today he is representing himself, not his constituency. He said that people in Scotland should be allowed to make up their minds. They were, and they did.

Let me raise once again what I call the Westminster question in response to the West Lothian question. In describing the West Lothian question, my hon. Friend the Member for Linlithgow described the possible nightmare that, at some time, a small minority of people in England might vote for one party, but, as a result of the votes of people in Scotland, a different party might form a Government. He invited us to imagine the horrors that could result from that, in that Scottish Members could take decisions on matters that were exclusively and solely English. He described the horror of Livingston and Linlithgow taking decisions affecting Liverpool and London, and Scots Members deciding who became English Ministers for health and education. He said that, if he understood his parliamentary arithmetic, that could happen.

I am a mathematician, and my understanding of parliamentary arithmetic is that what I call the Westminster question has arisen rather more often. It was referred to by my hon. Friend the Member for Edinburgh, North and Leith (Mr. Chisholm) and involves an English majority deciding a result in the United Kingdom that is totally at variance with the votes of the people of Scotland. As my hon. Friend pointed out, we experienced that throughout the 18 years of Tory Government, when, at every opportunity, Scotland overwhelmingly rejected the party that made the decisions.

Mr. Grieve: Will the hon. Gentleman spare us the details? We fully understand that his party introduced the legislation because it was no longer prepared to allow issues affecting the United Kingdom to be decided on the basis that an English Member had just as much say as a Scottish Member and vice versa. Will he get to the point without going over the entire history of the times when the wretched English Members decided Scottish issues?

Mr. Savidge: The way in which the Tories have argued throughout the debate so far shows that, although they pretend to have accepted the results of the referendum, they manifestly have not. That is why we shall continue driving home the point that English Members decided exclusively and solely Scottish matters. *[Interruption.]* I apologise, and I will reduce the volume of my speech, but at least I have woken up some English Tory Members and made them listen to what we have been trying to say for hours and hours.

Let us remember that London and Liverpool determined what happened in Livingston and in the constituency of my hon. Friend the Member for Linlithgow, and English Members chose the Ministers for health and education in Scotland. The party that inflicted that horror was totally opposed in Scotland; it ended up with not a single Member of the European Parliament representing Scotland, and, in the council elections, having gerrymandered the boundaries, it was still wiped off the electoral map that it had redrawn. Finally, it should never forget that it ended up with not one Scottish Tory Member in the House.

The right hon. Member for South Norfolk (Mr. MacGregor) spoke about the dreadful possibility that Scots Members might interfere in English matters.

However, I have gained the impression that English Tories interfere in Scottish matters rather more than Scottish Members interfere in English matters. Usually, English Members presume to pontificate about what goes on in Scotland on the basis that their grandfathers once visited Auchterturra. *[Interruption.]*

Sir Robert Smith (West Aberdeenshire and Kincardine): Conservative Members are saying that the Scottish Chancellor is interfering, but I thought that they accepted that the United Kingdom still existed, and therefore that we had a Chancellor for the entire United Kingdom, not just for England.

Mr. Savidge: I gladly agree with the hon. Gentleman. Indeed, I made a similar point when the hon. Member for Billericay (Mrs. Gorman) intervened earlier.

My hon. Friend the Member for Linlithgow referred to the slow-burning fuse of English nationalism. Having listened to speeches from Conservative Members, I thought that they represented the slow-burning fuse of English nationalism; indeed, given how depleted that party has become, perhaps one ought rather to refer to the slow, burnt-out few of English nationalism.

I should give credit where it is due, however. The Conservatives have provided us with a Westminster answer to the Westminster and West Lothian questions, as they have created circumstances in which the parliamentary arithmetic to which my hon. Friend the Member for Linlithgow referred is much less likely. I assume that the right hon. Member for Wokingham (Mr. Redwood) would agree that, under the present Leader of the Opposition, they are likely to be in that position for a long time. It is most unlikely that the nightmare conjured up by my hon. Friend the Member for Linlithgow will occur.

It has been said that there will be anomalies. I find it extraordinary that people get so concerned about the possibility of elected Scottish Members influencing English affairs when they do not seem the slightest bit worried about unelected hereditary peers—whether from England or Scotland—affecting matters here.

The system will be asymmetrical, but, as my hon. Friend the Member for Edinburgh, North and Leith said, we are an asymmetrical country. England, Scotland, Wales and Northern Ireland are asymmetrical in their populations. Solutions are therefore bound to be asymmetrical.

My hon. Friends the Members for Falkirk, West (Mr. Canavan) and for Greenock and Inverclyde (Dr. Godman) spoke about the West Belfast question, which the Conservative party has to consider, because it says that it accepts Northern Ireland devolution as a vital part of achieving peace in that island. The right hon. Member for Huntingdon (Mr. Major), who made a most disappointing speech in the previous debate on this issue, accepts that there should be devolution for Northern Ireland.

Let us repeat that the Conservatives now accept that there should be Scottish devolution. Listening to them, one would hardly believe it. I am reminded of the cartoon on the front of *The Times* today, which shows two people from the middle east talking. One of them asks:

"D'you think there'll ever be peace within the Tory party?"

We should ask the Tories for a clause that contains their answer to the West Lothian question. What is their answer? "Answer came there none", which is an apt quote, given that other hon. Members have "eaten every one" of the Scots Tories.

Mr. Leigh: Of course there is no neat constitutional answer. The only answers are that we lump it, or that there is independence for Scotland.

Mr. Savidge: I will give the hon. Gentleman an answer. My answer would be simple: those matters that the House decides to devolve elsewhere should be determined elsewhere, and those that the House decides should be determined here should be determined here. All Members of the House ought to participate in making those determinations.

It has been asked what the position will be regarding any growth in demand for devolution in England.

Mr. Grieve: On the basis of what the hon. Gentleman has just said, his earlier arguments about the iniquities of the previous position whereby English Members legislated on Scottish affairs are complete bunkum, because, in the past, Parliament determined what should be done, and it was done. Are we to take it that the hon. Gentleman's preliminary remarks were a load of hokum?

Mr. Savidge: My precise point is that, if there were a demand for English devolution, it should be granted. That could be achieved by federalism, as suggested by the hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy) and my hon. Friend the Member for Greenock and Inverclyde, or by another method, favoured by other hon. Members, including me, which would be a form of devolution to regional assemblies in England such as the London assembly, which the Conservative party now accepts.

There is a case for subsidiarity, as against centralism. I prefer subsidiarity to centralism. I have said before and will conclude by saying that my long-term vision would be a system of world government, continental government, national government and regional government, down to community decision making, with correct levels of subsidiarity meaning that all decisions were made at the lowest suitable level. That would be the way to achieve a peaceful, stable world, and create a properly participatory democracy. Labour Members believe in democracy.

7.15 pm

Mr. Rowe: I begin by picking up two remarks made by the Secretary of State for Scotland during these debates and outside the House.

First, the right hon. Gentleman made it abundantly clear that, given a choice between being Secretary for Scotland and being in the new Scottish Parliament, he would much prefer the latter. Nothing could make clearer his expectation that the job of the Secretary of State for Scotland in the new system will be relatively valueless. All the arguments about what such a Secretary of State could do, which were well put by the hon. Member for Linlithgow (Mr. Dalyell), seem likely to come true. I will be sorry to see the Secretary of State leave this place. He brings an air of sardonic wit to the House that we will greatly miss.

[Mr. Rowe]

The second remark by the Secretary of State during debates on the Bill was that it was the role of a Government to foresee possible dangers and find a way to avoid them. This debate has shown that there are possible dangers that clearly have been foreseen, about which the Government have done nothing.

There has been a series of remarks about the risk of English nationalism. Such a backlash would be unfortunate. The United Kingdom has worked well on the basis of mutual respect, and even if, in the heat of the attempts—which have now succeeded—to get constitutional change in Scotland, some Scottish people have been intemperate about the English, on the whole the temperature has been kept satisfactorily low.

Sir Robert Smith: I am still confused about Conservative Members' description of the United Kingdom as having been stable for 200 years, when the previous constitutional solution was achieved on the back of a revolution and many deaths in the civil war.

Mr. Rowe: There is no value in my responding to a comment about a remark that I did not make, and I will not try to do so.

There is a serious risk of creating an English backlash. It is sad that, in order to focus the minds of people who on the whole take no interest in constitutional matters, the press and media will whip up feeling on an inflammatory issue, and there will suddenly be a consciousness of English nationalism, to which I would greatly object.

To take one example from my county, there will shortly be—although the Government are remarkably coy about how they will go about it—a form of referendum on the future of the county's education system. That will undoubtedly generate considerable passion. The rules for the referendum will be decided here. If, after the creation of a Scottish Parliament and a new system, a similarly heated subject arises in Kent, the interest and attitude of the press could well start an English national backlash, which we should not accept. I am sorry that the Secretary of State, who could clearly have foreseen such a problem, has taken not steps to resolve it.

Far from being hostile to the Scottish decision in the referendum—I certainly feel no such hostility—we are expressing hostility to the Government's idea that this long-established constitution requires not carefully thought through, well worked out constitutional change, but tinkering. The Labour Government are like small children playing in a building who are interested in finding out what happens if they take the odd brick out of the wall.

In speech after speech, even in this relatively narrow debate, hon. Members have said, "Of course, we shall just have to see what happens. Of course, things will change over time. Of course, we shall have to work things out." Yet no attempt has seriously been made to work out the problem or to foresee the likely outcome. If one pulls enough bricks out of a wall, one is buried by it.

Mr. Alasdair Morgan: Does the hon. Gentleman accept that his request for the matter to be even further thought out will be taken by people in Scotland as yet another delaying tactic? No matter how honourable his motives, that is how it will appear. People in Scotland remember that, during the previous referendum campaign, Lord Home said that we must not accept the 1979 scheme, and that we should bring forward a better one. We are now 18 years on, and the hon. Gentleman says that this scheme is not the better scheme. When will we get the better scheme?

Mr. Rowe: The decision has been made, and we accept it—although it is true that the role of Ministers and Scottish Members in Westminster remains remarkably hazy. There is plenty of time for the Government to set up an inquiry into the role that Members of Parliament and their Ministers are to discharge in this place. I see absolutely no reason why that should hold up implementation of the new system. It would be entirely prudent to carry out such an inquiry.

Indeed, I have no objection to considering the role of Members of Parliament generally. I should be perfectly happy to discuss the role of Members of Parliament, how it is changing and how it might change in future. I find no reason for limiting such an inquiry to Scottish Members, although it is perfectly understandable that we should table a new clause relating only to Scottish Members, since the change has been made entirely as a result of Scottish Office effort, and not on a Parliament-wide basis.

I see absolutely no reason why we should go ahead with the new system without dealing with consequences that could be foreseen. Of course many things will happen that we will not expect or cannot work out now, but the role and function of Scottish Members of Parliament who will have a position in this House quite unlike that of any other is one thing that can be considered. We can foresee what that will be like and consider how we might make it more acceptable to constituents such as mine, who will feel—perhaps irrationally—that there is something grossly unfair about being confronted by the activities of Members of Parliament who have absolutely no role to play in subjects in their own country, but have a major role in this country.

Ms Roseanna Cunningham: I confess to being puzzled about the exact nature of this debate as it progresses. As we are frequently told, the House can debate anything it pleases at any time it pleases. Given that, will the hon. Gentleman explain why an amendment is required to allow the House to debate the role of Scottish Members? I find such a proposition extraordinary.

Mr. Rowe: If there were any possibility of the Government considering the future role of Scottish Members of Parliament in Westminster, the new clause would not be necessary. However, there is absolutely no suggestion that the Government think that that is either necessary or desirable. It therefore seems entirely proper to table a new clause requiring them to do what they show no sign of wanting to do. It is for those reasons that I shall certainly support the new clause.

Mr. John Home Robertson (East Lothian): The hon. Member for Faversham and Mid-Kent (Mr. Rowe) said that he accepted the decision taken by the people of Scotland in the referendum but went on to say that he supports the new clause and the associated amendment. That simply cannot make sense. The new clause would

prevent my right hon. Friend the Secretary of State from laying the orders to implement the Act until the future status of Members in the House had been resolved.

As my hon. Friend the Member for Aberdeen, North (Mr. Savidge) said, the problem with Tory Members of Parliament addressing the West Lothian question is that they are not prepared to offer any answer to it. They simply pose it as a sort of catch-22 situation, in which they revel. They would be perfectly happy to leave it as a conundrum to obstruct any amendment to the United Kingdom's constitution until eternity. Well, that is not on; that is not the agenda.

I strongly support the Bill and therefore want it all to be implemented. I reject the delaying device tabled by the Tory quarter of the House. It is wrong to refer to the Conservative side of the House because the Conservatives cannot man a whole side of it.

Mr. Robathan: There are more Conservative than Labour Members present.

Mr. Home Robertson: The hon. Gentleman is above the Gangway. There are other parties below it—but let us not get bogged down in minutiae such as that.

I have endured very nearly 20 years as a Scottish Member of the House—the Member for East Lothian. I sometimes wish that hon. Members would address the East Lothian question with as much interest as they have the West Lothian question over the years. During those 20 years, I have seen absurd changes in Scotland's local government, which were imposed on us by English Members. I have seen the poll tax imposed on my constituents on the strength of votes of English Members. There is no escaping that; it is a matter of fact. We have an inherent democratic deficit in Scotland.

Under the present settlement, we have a remote system of government. Much devolved power in Edinburgh is not subject to proper scrutiny. Indeed, Sir Malcolm Rifkind—

Dr. Fox: Will the hon. Gentleman give way?

Mr. Home Robertson: I shall finish the reference to Sir Malcolm Rifkind. When debating an earlier devolution Bill back in—I think—1977, for which he voted, he said that Scotland was the only jurisdiction on the face of the earth without a legislature to revise its law. That was the problem then, it is still a problem, and that is why we need a legislature. We shall have it because that is what people have voted for.

Much further back, before the Union, my predecessor, Andrew Fletcher, warned about the shortcomings of what he described as an "incorporating Union". We have that incorporating Union, and it has not worked. We do not have accountable government in Scotland. The Bill is designed to address that. Andrew Fletcher supported the case for a Union, but said that there should be a Scottish Parliament. It has taken an awful long time to get back to that debate, but here we are, and I very strongly welcome it.

This incorporating Union is riddled with anomalies; it always has been. I acknowledge that there will be some more under the proposed settlement, although it is ludicrous for the hon. Member for Faversham and Mid-Kent to say that, by creating one new anomaly on top of all the others, the whole edifice will come tumbling down. He must have very little confidence in the inherent strengths of the Union if he fears that prospect.

7.30 pm

Mr. Grieve: There were anomalies in the old system, but the old system worked until the anomalies became unacceptable. When they did, Scottish Members of Parliament started to complain about decisions being taken collectively by this House. The referendum was held, and the decision was made to set up a Scottish Parliament. Does the hon. Gentleman understand that we believe that the anomalies created by the Bill will prove to be equally unacceptable, and that there is a complete refusal to address them at precisely the moment when they need to be addressed—when the changes are coming about?

Mr. Home Robertson: The hon. Gentleman says that what will happen in the future will be intolerable, whereas what happened in the past was, in some way, tolerable. My plea in mitigation is that some of us have argued for constitutional change and for democratic accountability in the government of Scotland for a long time—since before the outrageous impositions to which I referred.

I accept that there will be anomalies in the future, and it is entirely proper that English Members of Parliament, in particular, should address them and make suggestions as to solutions. However, it is absurd to say that everything else in the United Kingdom should be put on hold until hon. Members representing English constituencies work out a way to deal with the problems. That can be debated in the future.

Mr. Hogg: The hon. Gentleman is misunderstanding the effect of the new clause. The only obligation proposed by the new clause is for the Secretary of State to publish the review—it will not put on hold the process of devolution.

Mr. Home Robertson: I suspect that the only way in which the new clause could be selected for debate was to frame it in that way, but the intention is clear enough. We know what the Tories are up to.

I certainly welcome the new-found interest of Conservative Members in these affairs. I cannot help harking back over the years to all those occasions, late at night, when Scottish orders or amendments were debated in this House. Can these be the same Members of Parliament who grumbled about the fact that they were required to turn out as Lobby fodder to put through Tory legislation affecting Scotland? They have suddenly decided that the right to vote on devolved Scottish matters is a precious democratic right which they are determined to hang on to at all costs. I do not find that line terribly convincing.

Just as Scotland has had remote and unaccountable government for many years now, the same argument could be made for many parts of England. It would be entirely proper for regions of England to suggest changes

[Mr. Home Robertson]

to the structure of government in England. That would be proper, and it is quite right that my right hon. Friend the Deputy Prime Minister is addressing that matter.

Dr. Fox: Why does the hon. Gentleman think it is logical to talk about Scotland as a nation with one form of Parliament for the whole of Scotland, but that England should be split into regions?

Mr. Home Robertson: I am not suggesting that. It is entirely a matter for the people of England if they want an English Parliament or not. [HON. MEMBERS: "They do not."] Then what on earth are Conservative Members fussing about? It is a matter for the people of England, and I respect that.

Mr. Swinney: The new clause suggests that there is still work to be done and that a solution has to be arrived at, but every time a solution is suggested, it is knocked down. I heard one Conservative Member knock down the suggestion made by another Conservative Member. Are not we being put through six and a half hours of debate about nothing because the Conservatives are not interested in the solution to the problem?

Mr. Home Robertson: Just for once, I agree with the hon. Gentleman. This is a deliberate wrecking amendment. Well, it cannot be a wrecking amendment—if it had been, Mr. Deputy Speaker, it would not have been selected. It is a deliberate catch-22 question which attempts to spin out the argument for all eternity to obstruct progress towards the establishment of a Scottish Parliament. It is at best mischievous, and at worst dangerous.

Hon. Members have said that there is a risk of whipping up nationalism, and we are enduring a little bit of that in Scotland just now. I would caution English Members about the risks of stirring up English nationalism. Look what happened to Michael Forsyth when he raised the credibility of Scottish nationalism. It did not do him an awful lot of good.

The new clause is, above all, mischievous. Carried to its logical conclusion, it would leave us with one Parliament with two categories of hon. Member. We would have a UK Parliament with one group of Members, eligible to vote on everything, and another group—second-class Members—who are eligible to vote only on Treasury affairs, defence, foreign affairs and social security. I cannot think of any other Parliament on the planet which has two categories of Member with different voting rights.

Mr. James Paice (South-East Cambridgeshire): I entirely agree with the hon. Gentleman's view that it would be entirely improper for Members of this House to be somehow second-class. Does he understand that that is our concern about the Bill as it stands—that those Members elected for Scottish constituencies will have no power over the devolved issues in Scotland, but will be Members of this House, whereas the whole House will have powers over the same issues in England? An imbalance will be created in the responsibilities of hon. Members.

Mr. Home Robertson: Welcome aboard, I say to the hon. Gentleman. We have had that anomaly for years in Scotland in terms of devolved powers over which we in Scotland have had no control. That is ludicrous and it has been uncomfortable for us. We are now addressing that matter, and Conservative Members are protesting far too much about it.

The debate is about the old canard, the West Lothian question, which is based on a flawed premise. It is a question which never recognised the fact that we have had so much administrative devolution in Scotland for more than a century. Administrative power has been devolved on a range on subjects to Edinburgh, with no democratically elected body to take proper control and to scrutinise the work of civil servants.

The West Lothian question overlooks the fact that the UK has never been a nation. It is a Union of nations with inherent diversities—and properly so. We should be building on the strengths that that diversity should be able to achieve. Two parts of the UK have voted to take the logical step of taking democratic control over their devolved powers—Wales and Scotland. It is likely, I hope, that Northern Ireland will follow suit shortly, and it is likely also that London will do so in its own way. That is logical progress for the Union, and it should strengthen the Union.

It is depressing that hon. Members who profess to be Unionists are trying to pick away at these anomalies in way which threatens the future of the UK. We have a strange alliance between the Conservative and Unionist party and the Scottish National party. The debate has indicated that the Conservative party wants Scotland, Wales and Northern Ireland to put everything on hold until equivalent constitutional arrangements can be devised for England or the English regions. That is up to them.

I come back to my East Lothian question. For 18 years, my constituents have been subject to legislation imposed on them by people who did not represent Scottish constituencies. Why has it been all right for hon. Members representing Eastbourne, East Devon or East Surrey to impose unwanted laws on East Lothian for 18 years, but suddenly—now that the situation is turned round and Scottish Members might briefly be in a position to influence legislation covering their constituencies—it is a constitutional outrage? That is inconsistent and absurd, and the new clause should be rejected.

Several hon. Members *rose—*

Mr. Deputy Speaker (Mr. Michael Lord): Order. I must repeat an earlier plea from the Chair for shorter speeches. An awful lot of Members want to contribute and they simply will not be able to do so unless speeches are shorter and we have fewer and less lengthy interventions.

Mr. David Curry (Skipton and Ripon): I come to the same conclusions as my right hon. and hon. Friends, but I may have started from a different point and come by a different route. I do not take the view that a unitary state has some sort of religious sanction. The arguments for devolution are well made.

Two years ago, when some of us were invited to make a presentation at Chequers, I was asked to do one on the constitution, for reasons that escaped me then and still escape me now. I argued the case for a federal structure

in the United Kingdom. In the light of the developments that were under way, which were threatened by a Labour party that we recognised was likely to win the election, I felt that we should prepare the inevitable response.

Whether one likes it or not, it is now inescapable that we will end up with an English Parliament, and I feel relatively at ease with that concept. I believed then that we had a centralised state and that that had two major disadvantages. One was that it made our relations within the European Union more difficult because our structures were not equivalent to those more commonly found on the continent, with which our partners were more at ease.

The second reason was that we had deprived of power a large number of the traditional institutions of local government in the United Kingdom, so the sensible job for Conservatives was first to reinvigorate existing organisations—before creating new ones—and secondly, given the sort of political challenge that we faced, to look towards a more radical solution, and that is what will happen.

My idea was that Members would be elected for both their national Parliament and the federal Parliament. I did not see why we needed two categories of Member. The residual functions of what one might call the federal Parliament would be such that, as little legislation is commanded by many of the issues with which it would be concerned, it would be entirely possible for myself, for example, to fulfil a role as a Member of an English Parliament and equally to be a Member of the United Kingdom Parliament dealing with the issues relevant to it. We do not need two categories of Member of Parliament and we do not need to double the political strength of the bureaucracies that go with those.

Moreover, my proposal would achieve what this legislation manifestly will not—equivalence of responsibility within the United Kingdom. The one thing that Labour Members do not want to understand about our concerns is that, whatever the relative proportion of Members elected to this House from different parts of the United Kingdom under the present arrangements, their role has always been precisely equivalent. That will be lost with the legislation.

Whether or not English Members are determining Scottish affairs in votes on the Scottish revenue support grant or, before we all went upstairs, matters to be decided between 10 pm and 11.30 pm or between 11.30 pm and 1 am, and whether or not Scottish Members are using their votes to determine matters in England, does not matter. What matters is that our responsibilities and obligations are identical and we are elected under the same statute to perform the same role. We discharge the same role and responsibilities. That is why the hon. Member for Linlithgow (Mr. Dalyell) represents his constituents. He is not a delegate to them. His job is to speak his mind as he believes is right on their behalf. That is what representative democracy is about and that is why the accusation that he has failed them is entirely misplaced.

7.45 pm

Mr. Canavan: When there was a Stormont Parliament, was the role of Northern Ireland Members of Parliament in this place exactly the same as that of Members from Scotland, England and Wales?

Mr. Curry: They had the same rights. In their role as Members of the United Kingdom Parliament, they enjoyed exactly the same responsibilities, obligations and rights as the other Members. That is what is at the heart of the argument.

The present proposal would destroy that equilibrium. There are a number of false problems—the most false and the one that concerns me least is the fact that there may be more Scottish Members of Parliament at Westminster than English Members and that the ratio may be disproportionate. I realise that that problem will be tackled at some indeterminate time and take the view that in a representative system there are bound to be inequalities of that sort. The nature of the constituencies is such that if one sought mathematical exactitude it would not work effectively in practical terms. So, I am not particularly disturbed about that problem and I do not think that my constituents are. Frankly, that issue is, at the moment, the dog that did not bark. In general elections, it is the dog that has not barked until now in the English constituencies. When my colleagues talk of the danger of English nationalism, I recognise that that may emerge, but none of us are in the business of wafting that fuse—none of us want to profit from that difficulty.

Three real problems exist, as opposed to the imaginary ones. The first is the unequal role of Members of Parliament as individuals under the proposed arrangement. What will Scottish Members do, not merely when they are here—they will not have responsibility for matters in Scotland because the Members of the Scottish Parliament will deal with those—but when they are in their constituencies, where someone else will take responsibility for the meat and drink of surgery business, with which we all have to deal?

I freely admit that I am not one of those Members who believe that surgery activity and that role is something for which I was born and for which I live. We all know that at times the role gets tedious, but we do it because we have to. When someone arrives with an envelope containing 30 years of newspaper cuttings, with the best will in the world one's heart sinks, but that is a job which has to be done. I wonder what some of the Scottish Members, who will be redundant here except for voting on English legislation, will do when they are at home.

The second problem is the nature of those responsibilities. If Scottish Members cannot decide the issues that have been devolved to the Scottish Parliament, by definition there is no point in having a Scottish Parliament. They can decide the equivalent issues here. They will be rather like members of the Committee of the Regions or the Economic and Social Committee, which are two of the least useful institutions invented by the European Union.

There is a question of legitimacy, and my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) was right to raise it. One of the things that we learn from history is that no matter how competent successive monarchs might have been, if they were believed to be legitimate in their role they hung on for a great deal longer than anyone had the right to expect. The concept of illegitimacy—that there was somehow something wrong with what they were claiming to be—has been the fatal underminer of authority throughout our history.

[Mr. Curry]

The real danger is that we will have a group of people here who, with the best will in the world, we will want to fulfil their roles, but legitimacy will be denied to them by Members of Parliament who have much wider responsibilities to discharge than they have.

Mr. Hogg: My right hon. Friend is right. On his previous point—that he is not particularly concerned about the disproportionate over-representation of Scottish Members in this House—and reverting to the point that he has just made, will he concede that that disproportionate over-representation could give Scottish Members not merely a decisive vote on individual policies, but could sustain a Minister in place responsible for English policy when that Minister would not command a majority among Members representing English constituencies?

Mr. Curry: I entirely accept that my right hon. and learned Friend is arithmetically and logically correct. That would be the case. I was pointing out that we are either defending an arrangement that contains anomalies by definition because it has grown up historically, or looking for a much more radical suggestion—we will inevitably be forced to do so—rather than these provisional arrangements, which are unsustainable. That is what concerns me.

It is an unsustainable arrangement. For a number of reasons, there is no point in pretending that somehow regional Parliaments in England will put that right. First, the Government have deferred the decision, so we are not sure when that would happen. Secondly, we are not sure where it would happen, if it does. It will be left to the testing of opinion in the regions and whether they want to do that in the first place. Thirdly, regional Parliaments are to assume responsibility for the general supervision of the development agencies. The role envisaged for them is relatively limited and is nowhere near equivalent to the role of the Scottish Parliament.

Finally, the elected assembly for London provides an example of what a regional Parliament is likely to look like—it will certainly not have powers equivalent to those of the Scottish Parliament. The idea that regional assemblies will rebalance the equation is wholly illegitimate.

The representation of United Kingdom interests in Brussels will be another real problem. As we have heard, a vague role is envisaged for members of the Scottish Executive—it has even been hinted that they could represent the entire United Kingdom. Those of us with experience of discussions on such simple matters as fisheries will realise that that may not be as easily achieved as the theory suggests. There is a real danger that there will be an appetite for further influence and power in Europe, which could exaggerate our problems.

I believe that we have set out on a course that is not sustainable. Either we must find a further provisional solution, which will not be sustainable, or, regardless of whether it is our predilection, we will be driven to look for a more definitive arrangement for the United Kingdom, which accepts as inevitable the national aspirations in Scotland and Wales—I would not say that that was inherently undesirable—but which accommodates the imbalance that will flow from fulfilling those aspirations. To prevent the fuse of English nationalism from burning and to avoid giving politicians the temptation to waft it, we must seek an arrangement that restores the equivalence that currently lies at the heart of our constitution. If, as I fear, we come to the conclusion that that can be achieved only by the establishment of an English Parliament, there is a great deal to be said for our promoting one constructively, rather than allowing it to happen by accident. We keep saying that our constitution was arrived at by accident. As we are now deliberately altering it, perhaps we should bring that process to its conclusion, logically.

Mr. John McAllion (Dundee, East): I apologise for my absence from the first two hours of the debate. It is not true that I was bound, gagged and locked in a cupboard in the Whips' office, from which it took me two hours to escape. In fact, I am a member of the Select Committee on Scottish Affairs, which was taking evidence upstairs—I apologise to the House for not having been able to attend the beginning of the debate.

I pay tribute to the right hon. Member for Skipton and Ripon (Mr. Curry), not so much because I agreed with his speech—although I did not disagree with all of it—but because, in its tone and rationality, it was by far the best contribution that I have heard from the Tory Benches in all the long hours that we have spent discussing the Bill in Committee and on Report. I only wish that such an attitude was shared by many more members of the official Opposition—if it were, the Conservative party might not be in such a sorry plight.

I regret having missed many of the earlier speeches, in particular that of my hon. Friend the Member for Linlithgow (Mr. Dalyell). I was intrigued by the comments of my hon. Friend the Member for Aberdeen, North (Mr. Savidge), who said that there was not a snappy version of the West Lothian question. If I may make an analogy with records and compact discs, the West Lothian question is an old 78. Perhaps my hon. Friend the Member for Linlithgow could have given us a rap version of the question, which would have made it more interesting than it usually is.

One of the central questions of the debate has been whether the West Lothian question is an anomaly or a constitutional outrage. I have detected that the constitutional outrage camp is firmly located in the ranks of the Tory Opposition. As they committed a number of constitutional outrages in the 18 years in which they were in government by using the unitary state against the people of Scotland, I come down firmly on the side that believes that the West Lothian question is an anomaly, and not a very remarkable one at that.

It is often argued, as it has been tonight, that the proposed system will be so anomalous as to be unsustainable—I have also heard it described as unacceptable. That is a poor argument, as the United Kingdom is itself an anomaly. It is a unitary state consisting of three and a bit nations—a unitary state with a multinational dimension. A unitary state with two completely separate legal systems—for England and Wales, and for Scotland—is an anomaly. A unitary state with two completely different systems of local government is an anomaly. There is supposedly only one national health service, but it is administered entirely differently in England and Wales and in Scotland. Moreover, of course, the established Churches in England

and in Scotland are altogether different. In fact, there is nothing consistent, coherent or unitary about the United Kingdom as a state. The old adage that the British constitution cannot be written down is justified only because if people ever saw it in black and white, they would not believe that anyone would have embarked on such a constitutional experiment as has been conducted over the past 300 years.

The United Kingdom is anomalous for a reason. The history of modern nationalism in Europe began with the French revolution, which gave birth to the idea that the modern nation state is based on the sovereignty of the people. As hon. Members will know from their history, the French revolution occurred in 1789, whereas the United Kingdom was formed as a unitary state in 1707–80 or so years before the birth of modern nationalism.

The United Kingdom was not a prototype for other nation states that developed later across Europe—they were based on the idea born in the French revolution. The United Kingdom emerged as a unitary state in the era of the ancien regime. The concept of the sovereignty of Westminster is based on the old monarchical idea of sovereignty and the divine right of kings. To this day, the House of Commons does not represent the popular sovereignty of the British people—sovereignty is held to be vested in the Crown in Parliament. We in Britain do not recognise what is recognised in every other nation state in Europe. We are out of touch with the rest of modern Europe; we are the anomaly.

Mr. John Hayes (South Holland and The Deepings): The hon. Gentleman gives a very interesting interpretation of history—I was going to say analysis, but that would be too flattering. How does he compare the glorious revolution of 1688 with the French revolution in the controls and limits that were placed on the divine rights of kings and in the development of national sovereignty and the role of Parliament? As I understand these matters, the glorious revolution was considerably more important than he acknowledges.

Mr. McAllion: It is quite incredible that the hon. Gentleman should defend the glorious revolution of 1688 as the basis for governing Britain in the 21st century. I regard the 1688 revolution as an anti-Catholic, anti-Scotland conspiracy, but perhaps that is what attracts him to it—perhaps he wants such a sectarian system of government still to apply.

Mr. Robathan: I shall not take the hon. Gentleman back to 1688, yet, as he has suggested that the United Kingdom's constitution is rotten and that every other European country has had a better time because they recognise the sovereignty of the people and so on and on, how does he account for the fact that, in the lifetime of some hon. Members—although not mine or his—every other European country, with the exception of Switzerland, I believe, has been occupied, tramped across by armies or lived under some form of communist or fascist dictatorship?

Mr. McAllion: I suspect that that has more to do with the fact that Britain is an island than with its 17th-century constitution. If the hon. Gentleman believes that Hitler did not invade Britain because he was frightened of the divine right of kings, the sovereignty of Westminster or the 1688 revolution, he is not living in the real world.

Whether devolution is anomalous is neither here nor there in the context of the entire history of the United Kingdom. The status quo has been anomalous, as my hon. Friends have said time and again in these debates. Scotland has had different legal, educational, health and local government systems; its tradition of public housing has also been different from the one in England and Wales.

It is perfectly possible, under the status quo, for all the policies relating to those specifically Scottish matters to be overturned in the face of opposition from every single Scottish Member, simply by the use of the majority of English Members. No Conservative Member drew attention to that anomaly, which existed throughout the Conservative terms of office.

Mrs. Eleanor Laing (Epping Forest): Does the hon. Gentleman agree, despite what he has just said, that the facts show that, in more than 300 years, the United Kingdom Parliament has protected as distinct entities the Scottish legal and education systems, and all the other matters that he mentioned?

Mr. McAllion: The hon. Lady has been too long away from Scotland. If she had been up there reading *The Herald*, as she claimed, she would know about the anglicisation of Scottish education and local government. Who in Scotland wanted the most recent reform of local government organisation? Even the Scottish Tories did not want that reorganisation, imposed on Scotland by an English majority in the House.

No United Kingdom Parliament since 1945 has ever overruled a majority of English Members. Time and again, a majority of English Members have overruled Scottish Members, but it has never happened the other way round. The Labour Governments of 1945–50, 1966-70 and 1974-79 were all elected with majorities over the Tories in England. They were backed by the English people in all those Parliaments.

There were only two Parliaments with a Conservative majority of English Members: 1964-66, and February to October 1974. At no point did a Labour Government impose on the people of England any legislative change that was opposed by the majority of English Members. It never happened to England, but it happened to Scotland time and again.

When we said that that was anomalous, the Tories said that anomalies did not matter, but as soon as they think that the boot might be on the other foot, anomalies suddenly matter and the position in which Scottish Members may be used to act against the will of the English is unsustainable. In fact, even now that cannot happen, because the majority of English Members agree with what we are doing. [HON. MEMBERS: "Where are they?"] They are away campaigning for devolved government in London, and good luck to them, although I have my own views on a directly elected mayor.

8 pm

Mr. Grieve: That argument would be more convincing if a single English Labour Member had come along to support it.

Mr. McAllion: English Labour Members do not have any problem with the Bill. It was trailed in the manifestos

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on which they fought the general election. It was made clear to their voters that, if a Labour Government were elected, they would introduce a Bill for Scottish devolution. It is in their interests and those of their constituents to get the Bill through quickly. It is Conservative Members who are trying to thwart the will of the people by delaying the Bill.

Our debates are often badly attended, and only the people who want to speak turn up—everyone else sits in their rooms watching television or doing something more interesting—but Tory Members attend debates on devolution in large numbers. That shows how out of touch they are with people outside. The Bill is not considered controversial outside. It would be controversial if the Government did not deliver their commitment on devolution to the people of Scotland and Wales. The Conservative party is out of touch with opinion throughout the country.

Mr. Gerald Howarth: The English people are not taking as close an interest as they should in the issue because the national newspapers in England are not taking it seriously; they give it no coverage. It is highly likely that this debate will get scant coverage tomorrow. By contrast, the Scottish press has gone into the issue in enormous detail. Perhaps that is why the Scottish National party is prospering.

Mr. McAllion: I can only take that as an attack on *The Daily Telegraph* and Mr. Rupert Murdoch. I am normally happy to join in attacks on both those great institutions. The hon. Gentleman did not worry about the English newspapers when Rupert Murdoch's *The Sun* backed the status quo in England at the same time as its Scottish version backed Scottish independence.

The press and the media are neither here nor there. People outside are intelligent and do not necessarily believe everything that they read—thank God for that—but make their own decisions after listening to politicians' and others' arguments. They make an intellectual judgment about the future of this country, and the judgment that they made at the general election was that it was time for constitutional change. The Conservative party must come to terms with that, or it will never make a comeback.

We heard earlier about the serious problem of an English backlash and the emergence of English nationalism. I see no problem with the kind of nationalism that delivered a yes, yes vote in the Scottish referendum last September. The only kind of English nationalism that would cause a problem is ethnic nationalism in the style of the National Front and Mr. Le Pen. If any Tory Members want to whip up the flames of that kind of nationalism, they are not doing themselves, or democracy, any favours.

If the nationalism that emerges in England is the civic nationalism that has emerged in Scotland and Ireland, and to a lesser extent in Wales, where is the problem? Why cannot the civic nationalities that live here co-exist peacefully and democratically, and go into the future in a different formation from that of the past 300 years? I am in favour of the English people rediscovering their national soul, because they are a fine nation.

Mr. Robathan: I agree with some of what the hon. Gentleman says. There is no harm in nationalism. The trouble is that in all my 46 years, I have never seen a sign in England that says "Scots out", but emblazoned in big letters by the motorway just outside Edinburgh is the slogan, "English out". Nationalism and racism can walk hand in hand. In this country, we have been very tolerant as a whole, but the "English out" nastiness of Scottish nationalism is very worrying.

Mr. McAllion: The hon. Gentleman cannot have listened to what I said. There are different kinds of nationalism. The "English out" Scottish nationalism is roundly condemned by every hon. Member, including Scottish nationalist Members. *[Interruption.]* They daily condemn such nationalism, and it is unfair to make allegations against them that are simply not true. Civic nationalism simply wants democratic control over a country's own affairs, irrespective of ethnic backgrounds.

Mr. Swinney: There seem to be some rumblings from Tory Members about the stance of my party. The hon. Member for Dundee, East (Mr. McAllion) is absolutely right about our condemnation of "English out" sentiments. We have condemned such nationalism throughout our history. The hon. Member for Greenock and Inverclyde (Dr. Godman) mentioned earlier my party's commitment to the democratic and civic process. That is the hallmark of our politics. If the Tory party cannot recognise that, that is another example of its being out of touch with Scottish politics.

Mr. McAllion: That is a fair point. Many of those who defended the status quo until the general election had never come to terms with nationalism. If asked whether they were English or British, many could not make their minds up. I suspect that there would be many different answers if we asked all Tory Members whether they were English or British, or English first and British second, or British first and English second.

Nationalism never raised its head in the old unitary state, but it has now emerged. It is not the ethnic nationalism that erupted in Bosnia, but a civic nationalism. It is emerging in part in England as well, and can be seen in the campaigns for northern assemblies. People want democratic control over their own affairs, and there is nothing wrong with that. If the Conservative party continues to denounce civic nationalism, it will remain in the political wilderness, and deservedly so.

Conservative Members are not above using a bit of ethnic stirring themselves. Many of the arguments that we have heard tonight have focused on the notion that poor old English taxpayers are subsidising junkies up in Scotland who are getting all our money; but that is simply not true. There is no question of its being true, or even being a factor, after devolution. I am surprised that no one has yet jumped to his or her feet to mention the Barnett formula, but before that happens, let me remind hon. Members that that deals only with identifiable public expenditure.

Billions of pounds worth of Government expenditure is passed every year by the United Kingdom Parliament, but never taken account of when the Barnett formula is applied. The formula excludes, for example, expenditure on Government Departments, such as the Department of Trade and Industry, the Foreign Office and the Treasury—all located here in the heart of England and all costing the British taxpayer a whole load of money.

One does not hear Scottish Labour Members saying, because of that, that we are subsidising the subsidy junkies down here in England—because we do not believe that. Similarly, all kinds of expenditure traditionally used by Conservative Governments favours many people living in the south of England compared with people living elsewhere. There is mortgage tax relief, for example. I know that that has been reduced in recent years, but it directed huge subsidies to people in the south of England where house prices are high. For many years huge, reliefs were given to people in the south, and nobody in Scotland complained. Nobody raised a flag and said that mortgage tax relief was subsidising junkies in the south of England.

To this day, the upper limit on national insurance contributions is a hand-out to people on very high earnings, most of whom live here in the south of England. Those people are being subsidised by British taxpayers in the rest of the country. Tax relief on private pension contributions, too, favours England far more than Scotland, because of the sheer numbers. There is also the London underground and the docklands development—and the millennium dome; let us not forget that, because it is being built down here.

One of the benefits of having a Scottish Parliament will be that when we enter into negotiations with the Westminster Parliament about the level of public expenditure in Scotland, it will insist on transparency concerning where the tax revenues are coming from throughout the United Kingdom, as well as where the expenditure is going. Until we have that process, it will make no sense to go back to the old-style arguments about English taxpayers being expected to support subsidy junkies in Scotland. That argument is not true; it is not taken seriously in Scotland—or, I suspect, in England either.

We are told that new clause 1 is necessary because Scottish Members of the Westminster Parliament will still have a vote here after devolution. There are a number of possible solutions to the West Lothian question. The most extreme solution, I suppose, would be to cut the numbers of Scottish Members at Westminster to absolute zero. *[Interruption.]* I see that there is some support for that idea on the Tory Benches. If we took that course, the West Lothian question would finally disappear and never rear its ugly head again.

However, it is unjust and unsustainable to suggest that that would be a solution to the West Lothian question, because fiscal decisions, for example, will continue to be taken in this Parliament and will continue to affect people living in Scotland and Wales, as well as elsewhere in the United Kingdom. The basic and higher rates of income tax, value added tax, corporation tax and levels of tax relief all affect Scotland—and of course, Scotland would not pay any of those taxes if it had no representation in this House. So there has to be Scottish representation here after devolution, and Conservative Members must take that fact on board.

There is no solution that does not include Scottish Members continuing to represent Scotland in this House. If people want to get rid of Scottish Members of the Westminster Parliament altogether, there is only one solution, which would be to make Scotland completely independent—but I suspect that that is not what Conservative Members want. But perhaps it is. Perhaps there are some English nationalists among the Tories who would like to see the back of Scotland altogether.

Another suggestion was made in the 1978 Act, section 66 of which—I see the ears of my right hon. Friend the Secretary of State beginning to prick up as he remembers the old battles fought over devolution in 1978—required that where a Bill

"which does not relate to or concern Scotland"

was carried by a vote in which the votes of Scottish Members were decisive, there had to be a second vote 14 days later which would exclude Scottish Members. By that mechanism, it was hoped, the West Lothian question could be solved.

However, there were, of course, several serious objections to such a solution. First, as has already been said, it would make Cabinet Government impossible. The elected Cabinet could not continue to rule the country if English business in the House were conducted in that way. Then there would be the problem of how we defined business that did not concern Scotland. Who would define it?

Would the Scottish Parliament have a role in defining such business? Would there have to be a joint committee between the Westminster and the Scottish Parliaments to decide what constituted such business? A class of in-and-out Members would be created—second-rate Members who were allowed to vote decisively only on issues relating to Scotland.

I know that Enoch Powell still has some admirers on the Conservative Benches, but in the 1970s, he came out against such a solution, because he saw that it was unacceptable. The constitutional unit has carried out a great deal of research into the implications of devolution for the United Kingdom Parliament, and it recognised that any kind of in-and-out system was unacceptable.

Mrs. Gorman: Enoch Powell also said in the 1970s that one cannot have a semi-nation—that it is inevitable that such a nation would become a devolved nation.

8.15 pm

Mr. McAllion: I thought that Enoch Powell argued that a semi-nation was a devolved nation. I think that the hon. Lady may have meant "an independent nation". She will not be surprised to hear that I do not agree with Enoch Powell. I merely mentioned his position because there may be some Powellites on the Opposition Benches who favour an in-and-out solution. If there are, they should realise that their mentor did not support such a system in any sense.

Mr. Leigh: I entirely agree with the hon. Gentleman's analysis of the absurdity of trying to create two classes of Members in this House. It would not work, and would indeed make Cabinet Government impossible. Does the hon. Gentleman therefore accept that the only practical solution, in the minds of many, would be to create a full English Parliament? Does he accept that if that happened, the English Parliament would become dominant and the United Kingdom Parliament would inevitably become an empty husk?

Mr. McAllion: I accept some of that. I was about to deal with the constitutional unit, which said that the only real answer to the West Lothian question was federalism—home rule all round. That is the only neat and

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proper solution. One objection to that idea is that there is no political will in England for it, as far as I can detect, at this stage.

However, English people will have to come to terms with the reality that if they want to solve the West Lothian question, that is how they can do it. I see no problem. An English Parliament would be separate from the Scottish Parliament and the Welsh assembly; the federal parliament of the United Kingdom would be separate from the English Parliament, and would deal only with United Kingdom issues. Representation in the federal parliament would be completely separate from representation in the English Parliament—so where is the problem? I do not see one.

The only problem is that English people are not aware of the constitutional implications of the kind of revolution that is now taking place. We must remember that devolution is not an isolated endgame, which should be seen as separate from the rest of the constitutional revolution being carried out by the Labour Government. It is part of a process that includes reform of the House of Lords, a referendum on the voting system for the Westminster Parliament, regional government across England and other radical changes to local government, and the European convention on human rights being introduced into the laws of Scotland—[HON. MEMBERS: "Is this a filibuster?"] No, I am not filibustering; I am simply making certain points that need to be made in the debate.

Hon. Members must realise that the process will carry on within Scotland and in the rest of the United Kingdom. It will not end here. We have nothing to fear from that process. England has nothing to fear. Indeed, if we are ever to modernise our economy, we must first modernise the constitution, which predates every other constitution in modern Europe.

The West Lothian question is a dinosaur. Until we put it behind us, we shall never be able to face the realities of the 21st century. For once, I have no hesitation in saying that I shall be delighted to join my right hon. Friends in government in the Lobby to vote down and consign to the dustbin of history the West Lothian question, along with all those who support it.

Mr. Hogg: I know that you want hon. Members to be brief, Mr. Deputy Speaker, so I will be; I will take no more than 10 minutes. I approach the debate as a believer in devolution. I long ago came to the view that it would be wrong for the House to withhold devolution from the people of Scotland if that is what they want.

I suspect that devolution is not in the interests of the people of Scotland, but that does not matter. They will decide their own business, and we must not stand in their way. Therefore, I am a friend of devolution on that basis. I have come to that conclusion from the study of history—conscious, I think, that because of what we did in Ireland—

Mr. Dewar *rose—*

Mr. Hogg: May I pursue my argument, and then give way?

Because we withheld home rule from Ireland, we brought about a situation that led to the division of the United Kingdom, then including Ireland. My own belief is that if we do not agree to devolution, the threat to the Union as a whole is much greater than if we do.

Mr. Dewar: I know that the right hon. and learned Gentleman speaks with sincerity when he makes that point, but does he agree that that is a rather good justification for the pre-legislative referendum that we ran? I suspect that if we had not had that decisive vote before the Bill was considered in the House, desperate efforts would have been made to defeat it in the House, on the ground that there was no consent in Scotland, and the House of Lords might have been encouraged to do likewise.

Mr. Hogg: I have accepted the need for devolution at least from the time I first entered the House in 1979. In any event, the need for consent could have been met by a post-legislation referendum, which would have been equally reassuring to Conservative Members.

Assuming we are going to have devolution, which I welcome, I am anxious that it should be a permanent settlement and one that is sustainable. My fear is that, unless the settlement that we are putting in place now addresses the entirety of the concerns of the United Kingdom, is put in an overall context and is fair to England, it will not be durable. I am extremely concerned about the English backlash, and about the fact that the specific proposals to be put in place are not fair to England and do not address the wider issues of the United Kingdom as a whole.

I will not repeat the various criticisms of the proposals, save in summary form—too many Scottish Members of Parliament; the fact that spending is too high in Scotland; the fact that the West Lothian question remains; the fact that all the other parts of the United Kingdom will have a Parliament or an assembly, but England will not. We can debate the way out, but one fact that is wholly plain is that what is now being put to the House does not address the English question and is not set in the context of the solution, which is a permanent settlement for the United Kingdom as a whole.

Like other right hon. and hon. Members, I have played with various concepts in the past—for example, the federal system, the practice of designating business to be English-only business and the establishment of an English Grand Committee—but my final personal conclusion is that we shall have to have a fully federal system with an English Parliament. I am struck by the number of my right hon. and hon. Friends who are also coming to that conclusion, which I believe is shared by many right hon. and hon. Members on the Labour Benches. One depressing feature of the debate is that there has been a tendency for Labour Members to say that, because the Scots have suffered what they perceive to be an injustice for a long time, we are now going to commit an injustice against the English. That is not a proper way in which to bring about a durable settlement as it is certain to bring about resentment and the destruction of anything we put in place.

I have spoken in summary form and no more, because the arguments have been deployed by many right hon. and hon. Members. I believe in devolution, but I want it to be

sustainable and durable. For that purpose, it must be fair and address the totality of our constitutional problems. It is possible to criticise the new clause tabled by my right hon. Friend the Member for Devizes (Mr. Ancram), but it does offer a way forward. Anyone who is seriously concerned about creating a durable and sustainable constitutional settlement for our country and maintaining the Union should support it.

Mr. Dewar: I grateful for the opportunity to speak at this stage, although not with any intention of choking the debate—the House will be glad to know that we have two and a half hours to go, so many interesting speeches will no doubt yet be made. This is an important debate, which I have found genuinely interesting; I have sat through almost all of it and I shall certainly try to last through most of the rest.

I should like to make one small preliminary point to the right hon. Member for Devizes (Mr. Ancram). He is, on the whole, rather a nice man, but he tries on occasion to whip himself up into a lather and his suggestion that we have somehow obstructed debate on this issue is not a charge which stands up to any scrutiny. There was some difficulty: there was an arranged timetable on 4 March, when we reached these matters during the Committee stage; there was an unexpected statement and no arrangements had been made in the timetable to accommodate that; there were then a large number of points of order and other difficulties, largely raised by Opposition Members; and then—I make no criticism except in the context of the charge—there was an unusually long speech by a distinguished Conservative grandee, which raised the temperature in the House, as he no doubt anticipated it would. We were happy to accede to Conservative suggestions that we have six and a half hours to debate a fairly narrow group of amendments, so I think it fair to say that we have approached the issue in a reasonable spirit. We intend to continue to do so.

Mr. Swinney: I understand the rationale for the allocation of time to this subject, but is the right hon. Gentleman not concerned that debate on some of the more complex aspects of the Bill, which have yet to be considered in the remaining stages, will be somewhat truncated because we have spent so long on an extended West Lothian question debate? That worries several hon. Members, who are concerned about the complex matters that we have yet to discuss.

Mr. Dewar: I hope that we shall be able to deal with various contentious matters that may lie ahead in the remaining stages, but I also hope that the hon. Gentleman does not feel that today has been wasted. We have had a fascinating opportunity to study the anatomy of the Conservative party, post-defeat. It has been genuinely interesting to watch the Conservative party in the House of Commons wrestle with the future, and largely lose. However, they will have to continue the struggle and some interesting consensus may form on the Conservative Benches in the months and years that lie ahead.

This has not been a waste of debate and, although I accept that the subject is one that most hon. Members find fascinating, if repellant, I have found the debate instructive. There have occasionally been tough touches, for example, the hon. Member for Faversham and Mid-Kent (Mr. Rowe) accused me of deploying an acerbic wit. Of course, I deny it all and I have no intention of laying myself open to a repeat of that charge during the rest of this particular performance.

I do not say it in the spirit of a barrack-room lawyer and a pedant, but I was a little surprised by the right hon. Member for Devizes, who kept talking about an independent inquiry; there is a fairly important distinction to be made, because that is not at all what the new clause calls for. The new clause instructs the Secretary of State to carry out a review and, while I do not know what sort of review would be expected of me—assuming I still held that office—if the new clause was accepted, it would certainly not be an independent inquiry of the sort the right hon. Gentleman hinted at in his speech.

We heard exchanges between my hon. Friend the Member for East Lothian (Mr. Home Robertson) and Conservative Members about their obstructing progress on the Bill; that accusation was strongly denied. It is worth reminding the House that we are considering new clause 1, but that amendment No. 2 is grouped with it. I do not think that the right hon. Member for Devizes mentioned the amendment at any point in his opening speech, but I presume that he holds to it. It would, in effect, ensure that no part of the Bill could be implemented until after the review had been concluded, so there would be—perhaps justifiably; that is a matter for argument—a considerable delay while we went through the review process. As the charge of obstruction was denied, it is worth putting that point on the record.

Mr. Hogg: I do not want to be a pedant either, but amendment No. 2 only requires the Secretary of State to publish the result of the review, and no more than that.

Mr. Dewar: If the review is to be the thorough-searching review that we understand the right hon. Member for Devizes wants, that will clearly delay matters quite considerably. I hope that the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) will not resent my saying that I cannot think of anyone who is better equipped than he to be pedantic—

Mr. Hogg: Apart from the right hon. Gentleman.

Mr. Dewar: Apart, perhaps, from my good self. The right hon. and learned Gentleman got there before me.

I was interested also when the right hon. Member for Devizes firmly said, in reply to some questions, that options had been canvassed in the past. It became clear that he would not canvass any of those options in his speech. To be fair, other Members have done so, but the right hon. Gentleman certainly did not. It was to be an inquiry, an inquiry and an inquiry. We were being asked to consider whether someone else could find an answer to the problem that worried the right hon. Gentleman. He seemed determined not to make a contribution himself.

8.30 pm

Mr. Ancram: I am not sure whether the Secretary of State was in the Chamber when previous debates took place on these matters, during which I canvassed various options, and did so at some length. Having done so, I felt that it was only right on this occasion not to weary the House with the same analysis all over again.

[Mr. Ancram]

As for the structure of the new clause, I am sure that the Secretary of State, of all people, will know that there are certain constraints within which we must work in tabling new clauses in relation to amendments that have previously been tabled to Bills on Report.

Mr. Dewar: That is a technical defence, but no doubt an ingenious one. If the right hon. Gentleman really wished to spare us further analysis on his part, that is small mercy. It would be churlish not to thank him. However, I would have been interested in hearing some of his analyses.

Some rather odd arguments have been advanced and I shall turn to some of them. I was rather irritated by the suggestion that, once devolution is in order, Scottish Members—however conscientious and hard-working—might find it difficult to occupy their time in the House. That is not so. Whatever one thinks of the balance of the division of responsibilities between Westminster and Edinburgh, there is no doubt that, in Scottish terms, major areas of interest and importance remain at Westminster. Labour Members think that it is a logical split, but that is a subject for legitimate debate.

Anyone who wished to develop an interest in, for example, foreign affairs, defence, macro-economics or fiscal measures—in other words, the plethora of legislative provisions that maintain the framework of the United Kingdom and its level playing field, whether it be company law, labour and employment law or financial services regulation—would find that there was a great deal to be done. It may be that Scottish Members will become more noted for being well-informed specialists rather than for what we tend to be at present—being enforced generalists, because of the spread of Scottish Office responsibilities. The idea that Scottish Members will not be able to make a contribution at Westminster, or to find issues of importance in which they can get their teeth, seems peculiar to me.

It has been a fascinating debate. However, I am not sure exactly what significance to put to it. Clearly, the Opposition Whips have been at work, and I congratulate them on that.

Mr. Grieve: I can assure the Secretary of State that the Opposition Whips have not been at work. The debate does not require them to be at work. We are debating a matter which is of the deepest concern to us. Will the right hon. Gentleman understand that it is of the deepest concern to us because the issue is raised with us by our constituents? That is why it is a subject which we wish to debate. It is remarkable that not one Labour Member who represents an English constituency has bothered to turn up for the debate.

Mr. Dewar: I feel tempted to say that I rest my case. I am tempted also—I shall not let myself fall into this temptation, because I might have to read them—to give the hon. Gentleman three minutes, so that he does not have time to write them, to get some of his constituency letters, which set out at length his constituents' concerns about the West Lothian question. I intend to return to that point.

I shall make a serious point. I accept that there is something going on in the Conservative party on this issue. I accept that there are concerns and worries. Some prominent Conservative Members have turned up for the debate. I do not think for a moment that they are Whips' fodder. They are in the Chamber to express points of view and concerns. I do not mock that. A significant number of prominent Conservative Members have been present for the debate, including the right hon. Member for South Norfolk (Mr. MacGregor), the right hon. and learned Member for Rushcliffe (Mr. Clarke) and the right hon. Member for Skipton and Ripon (Mr. Curry). It is an interesting phenomenon.

The right hon. Member for South Norfolk, who was once a sturdy burgher of Shotts, made an interesting point when he said, to take up the argument of other Conservative Members, including the hon. Member for Aldershot (Mr. Howarth), that his constituents were not worried about these matters at the moment. The right hon. Gentleman went on to say that they started worrying when he drew their attention to them. That is an interesting comment. If an influential and well-respected Member says to his constituents, "This is an outrage, a difficulty and a threat to constitutional stability", it may be, at least within the South Norfolk constituency party, that constituents will start to be worried. The question arises whether it is wise to make these matters an issue. Is it necessary to make them an issue? Is it counter-productive to do so? I make that point seriously.

Mr. MacGregor: Like the hon. Member for Linlithgow (Mr. Dalyell), I have been concerned about this issue in relation to Scottish devolution for the past 20 years. However, it has become a reality only since the general election. In England, not a great deal of media interest is focused on the issue. There is hardly any coverage of it in the English newspapers. I know that the coverage has been huge in Scotland because I still have some connections with Scotland—not necessarily Shotts but elsewhere. As I have said, there has not been that sort of coverage in England.

I make the serious point to the Secretary of State that, as soon as the proposed legislation is in place and things start happening in this Parliament, the issue will become extremely serious. It is then that people will see what is happening.

Mr. Dewar: That is an interesting comment. It seems that something of a split argument is being advanced. Undoubtedly some hon. Members are saying, "We must do something about this because English opinion is outraged." Other responsible Members are saying, "Sadly, English opinion is not outraged. However, I am outraged and, fortunately, when I tell people about these matters they become ratty as well." I suggest that we should start to consider whether we want to elevate the matter so that it has the status of a major public issue.

Mr. Christopher Gill (Ludlow): As an English Member who has had a self-denying ordinance for the past 11 years on Scottish business, this is the first time that I have spoken on matters to do with Scotland. It is not necessarily the fact that those who have spoken in the debate are outraged, or that their constituents are outraged. Will the Secretary of State not agree or recognise that part of our function as parliamentarians is to use our foresight and judgment to flag up what is likely to happen if he continues down the path that the Government have outlined?

Will the right hon. Gentleman please give me the assurance that he recognises that we English Members of Parliament have concern for the future?

Mr. Dewar: I see the crowded Benches opposite me and I have listened to the speeches. I have already acknowledged that some Members of Parliament are concerned about the issue, but I was probing the extent to which it has been artificially inflated and the extent to which it is causing genuine feeling.

I understand the point that, after devolution, the right hon. Member for South Norfolk could say that controversial legislation had been forced on his constituents by my vote and that of my hon. Friend the Member for Dumbarton (Mr. McFall). We all play that game occasionally, and legitimately so. These days, we are given to saying that we lost a vote in the House of Lords, but would have carried the day if it had not been for the hereditary peers. I am not sure to what extent people warm to or respond to that.

The arithmetic of the House of Commons has been mentioned. Since 1945, the Scottish tyranny, if I may use that word, has existed as an actual threat, as distinct from one that might have been used, on an enormously limited number of occasions. Such events are very rare and will become more rare because of the certain reduction in the number of Scottish Members at Westminster, which I shall discuss in a moment.

Mr. Oliver Letwin (West Dorset): I am grateful to the right hon. Gentleman for giving way because he is repeating what many of his hon. Friends have said. Does he accept that if the Government introduced proportional representation, that pattern would dramatically change and the chances of Scottish Members holding the balance of power would greatly increase?

Mr. Dewar: I am not sure that that follows. There would be a different House of Commons under full proportionality. Whoever had his nose in front would not get the substantial seats bonus that comes with first past the post, so the number of hon. Members on other Benches would swell to represent the percentage of the vote that they received. That may be a good thing or a bad thing, but it would not necessarily benefit my party. It would not benefit my party in Scotland in the short term, although we have gone down that road as a matter of principle. I never tire of claiming that it is the best example of charitable giving this century in British politics. This fear is much argued, but I am not sure that it is a fear of great substance, although I accept that we will all have to learn new lessons and look at a new profile if we change the voting system. The Government would not do that; the people would decide in a referendum, if and when the time comes.

Mr. Gerald Howarth: The Secretary of State fails to understand the point. There may not yet be widespread concern in England at what the Government are doing, but, as my right hon. Friend the Member for South Norfolk (Mr. MacGregor) said, that is because there is not the media attention. There is no doubt that there is increasing concern, however. As people become aware of the magnitude of what the Secretary of State and his colleagues are proposing for the United Kingdom—not only for Scotland—there could be a serious backlash. Concern is growing.

Mr. Dewar: That is a matter of judgment and opinion which we could discuss. That is an unwise offer, but I do not know what the other threats are. The arrival of an elected mayor in London is, at least in prospect, comparatively popular. *[Interruption.]* Let us wait and see. I must not wander into that matter.

Mr. Gerald Howarth: Will the right hon. Gentleman give way?

Mr. Dewar: No. I have given way a lot and it would be appreciated if I pushed on. I have rehearsed my argument and, although it is not accepted by Conservative Members, I still believe that it is largely valid.

The last accolade that I would ever seek would be to be known as a good House of Commons man. That is always a dangerous honour to bestow on any human being, but, in a sense, I am defending my position in House of Commons terms. I believe in the sovereignty of this Parliament, which was in place before the devolution settlement and remains in place after it. The Scottish Parliament is a creation of legislation and is therefore a creation of votes in the House of Commons. We cannot get the Bill through without the support of a wide sweep of Members of Parliament from every part of the country.

Hon. Members may look at me as though I had two heads, on the ground that there is a whipping system, but the Bill is a manifesto commitment. Hon. Members who say that that is not a valid argument should think about the damage that they are doing to the right of any Government to table any controversial Bill and pass it. It is just as valid for us to rely on the argument about the way in which the House of Commons works as it was for the Conservative Government in the past and perhaps will be for Conservative Governments in future years.

The Westminster Parliament remains sovereign. If the current generation of its Members decides that, for the better government of the country, certain powers should be devolved to a Parliament or a body outwith Westminster, so long as that decision was taken by the whole of the House of Commons properly and democratically, it would be constitutionally legitimate and well within the parliamentary system in which we all operate. That point was made extremely well by my hon. Friend the Member for Aberdeen, North (Mr. Savidge). That is the first bulwark on which I rely. We have a majority for this measure, and, unusually, we have unanswerable public consent following the referendum. We are entitled to put this legislation through.

8.45 pm

Some hon. Members who may support me more generally on this issue are worried that the House of Commons, having given, can, in extremis, take away. It would be very unwise to do so, and almost everyone who has spoken accepts that. However, it is still a possibility.

Points have been made about the number of Scottish MPs at Westminster. Undoubtedly, as this century unwound, there was a move to increase Scottish representation. There was a floor on the number of MPs:

[Mr. Dewar]

we had 71 in the House of Commons. That gave us a considerable advantage pro rata. The justification was that, given the distinct and separate stream of Scottish legislation taken at Westminster, that particular work load had to be recognised through Scottish representation. Devolution quite properly alters that position.

Despite the concerns of many of my colleagues, we decided together that we would reduce our representation. I am surprised that my hon. Friend the Member for Linlithgow (Mr. Dalyell) used the word "arbitrary", because it was not an arbitrary decision. We said that we would remove the artificial floor and invite the boundary commission to apply to Scotland exactly the same criteria that are applied in England, so that representation would be on a comparable basis. That was right, and was part of our attempt to get a balance on the settlement that we were establishing and to ensure that it was generally seen as fair.

I believe that the settlement is fair, but I accept that there is a balance of advantage. I realise that there are anomalies and difficulties. The House of Commons works on the basis of consent, and the usual channels operate. We reach compromises and agreements. Some people complain that they are reached behind the scenes surreptitiously, but that is not the point. One would not design a Parliament that operates in that way, but we all want to make it work. The point was fairly made by a number of hon. Members that our system is tolerant. I would claim tolerance as one of the great attributes of the British political system. I probably dislike as many Labour colleagues as Tories. Fortunately, in both cases it is a comparatively small number, but they are cherished and carefully defined.

We work on the basis of agreement and mutual tolerance. The strength of the devolution settlement is that it recognises the way in which the Union was constructed and the survival of our separate legislative and legal systems. That has great advantages, and it enriches our democracy. I hope that it will not become the bruising issue that some people suggest. I say that sincerely.

Mr. Ancram: Will the right hon. Gentleman answer a simple, straightforward question? Does he or does he not agree that there is a fundamental problem as a result of what has become known as the West Lothian question?

Will the right hon. Gentleman answer another question? If his proposals are considered so satisfactory in Scotland, why is the Scottish National party doing so well in the polls?

Mr. Dewar: I hope the right hon. Gentleman will appreciate that I do not want to go into a long digression about the current polls in Scotland. I think that the polls have a lot of shaking down to do in the next year. *[Interruption.]* I do not intend to be diverted from my argument, but let me say that I do not take very seriously, for instance, a poll that showed support for the Liberal Democrats at 2 per cent. That does not strike me as likely.

Mr. Charles Kennedy: It was all in my constituency.

Mr. Dewar: I note the hon. Gentleman's becoming modesty. He clearly hopes that the whole 2 per cent. will be at Lochaber. *[Interruption.]* I am sorry; that was the wrong constituency. It could have been a tragedy.

There have been three polls recently. One showed the SNP to be 5 per cent. ahead of Labour on one question—a question that was clearly important, but it was just one question, against the background of a high satisfaction rating for the Labour Government. The other two polls, on the same question, showed Labour to be 5 and 12 per cent. ahead respectively. There is much work to be done, and we all take these matters seriously. The SNP, wisely, says that it is not counting its chickens and that it, too, will work hard. I look forward to that, but I urge caution.

Let me turn to a more important issue: the issue that we are debating. The right hon. Member for Devizes asked me whether I considered the West Lothian question to be an absolute problem—a fundamental problem. I think that it could be a fundamental problem if it was mishandled and became a shibboleth. We do not want to turn this into a crisis, but I think that, on balance, it is advantageous to proceed with the scheme. I meet many of those who voted no in the referendum. I have talked to a number of those people, who have said, "We did not like certain aspects of the scheme—on balance we were against it—but we are now determined to make it work, and to get the best that we can out of it". The approach in the House of Commons should be on those broad lines: that would be sensible, and in all our interests.

Sir Teddy Taylor *rose—*

Mr. Dewar: I think that this is called revisiting one's past.

Sir Teddy Taylor: As one of the few who opposed devolution when it was proposed by both main parties, let me ask the Secretary of State a genuine and serious question. If he thinks there is a problem, what on earth is wrong with asking an independent group to conduct an inquiry now? If a problem may arise, what is wrong with accepting the new clause? Who will be angry? Will Labour Members be angry? Will Conservative Members be angry? Will SNP Members be angry? If it is possible that a big problem will arise, what is wrong with accepting the new clause and trying to find a solution?

Mr. Dewar: As the years go by, I am consistently amazed at the hon. Gentleman's ability to ask—with the simplicity and naivety of a child—"What would be the difficulty?" He knows full well what the difficulty would be, and how it would be interpreted. I have observed the hon. Gentleman for 20 years on the European question. I have never doubted his sincerity, but I have reservations about his sense of proportion and his starting point, and on this occasion I do not think that I can indulge him.

Sir Teddy Taylor: What were the other occasions?

Mr. Dewar: I remember meeting the hon. Gentleman in the Cloisters shortly after his translation to the south of England. I vividly recall his explaining that his whole idea was to establish a reputation as a Southend nationalist.

Sir Teddy Taylor: Southend, East.

Mr. Dewar: If I ever visit Southend and find the hon. Gentleman digging a large trench, I shall know that Southend is about to float off as a tax haven.

This discussion is becoming ludicrously overblown. Let me return to the point, and—comparatively briefly—deal with an argument that I, at least, am taking seriously. I hope that most of the points that I have made so far are being taken seriously as well.

I find it interesting watching the Conservative party try to deal with this problem. The hon. Member for—is it Rushcliffe?

Mr. Leigh: Gainsborough.

Mr. Dewar: Oh, Gainsborough. Sorry. [HON. MEMBERS: "Rushcliffe is Ken Clarke."] Yes. Never mind. It is just as well that the right hon. and learned Member for Rushcliffe is away: I suspect that the comparison would not have pleased him.

The hon. Member for Gainsborough (Mr. Leigh) in a sense put it briskly. He said that there were only two possibilities. He said that there was a problem—he started from that point—and said that the only thing that the Conservatives could do was lump it or hope that there was total independence for Scotland. I do not believe that that view is shared by many Conservative Members.

The right hon. and learned Member for Rushcliffe, whom I now have at least in my mind's eye, if not physically before me, argued that federalism was not the answer. He did not want a federal solution, but did look back to the sort of in-out solution that Gladstone rejected in the 1890s in the Irish debates. However, the right hon. Members for South Norfolk and for Skipton and Ripon, and the right hon. and learned Member for Sleaford and Hykeham—

Mr. Hogg: North Hykeham.

Mr. Dewar: Precision again. Those three respected and experienced members of the Conservative parliamentary party all argued, at least to varying degrees, that federalism was the solution to this problem. It is clear that there is quite a lot not only of disunity, but of thinking going on. It will be interesting to see whether and how that develops, but, for the reasons that I have explained, Labour Members do not start with the same analysis of the seriousness of the issue, in terms of its being a major problem. Therefore, we will have to hold our fire.

There have been many attempts at this. Obviously, an English Grand Committee would not necessarily be satisfactory. Some people may have thought—I do not know whether the right hon. Member for South Norfolk did so—about the Standing Committee on Regional Affairs, which is an interesting visitor from the past and has not met for 20 years. It consists of all English Members of Parliament plus five. I could never imagine what the plus five were going to do, but it has not met for 20 years. That perhaps makes the point, which was made in another context by Labour Members, that there is a different level of interest in these matters in England.

There is a suggestion that, in the parliamentary party, there are people who are so alarmed by what they see as an anomaly that they want to drive towards a federal solution, but I am not sure that, in England, they would take the same view among the population generally about the difficulty of the situation, particularly as the worries and stories about the effect and impact of the Scottish vote will not be self-evident, because it does not exist in the form that is being suggested.

Mr. MacGregor: Will the right hon. Gentleman give way?

Mr. Dewar: Yes, but this is the last time that I shall do so.

Mr. MacGregor: Is not the real reason why the right hon. Gentleman has put forward various sops that have no equivalents to the Scottish Parliament, and why, over the past 20 years, the Labour party has failed to address the matter, that the only logical and real equivalents to a Scottish Parliament that deal with the West Lothian question are not, on the whole, in most cases, favourable to the Labour party?

Mr. Dewar: I do not want necessarily want to get into that argument, because the right hon. Gentleman and I would simply have a stand-off on it. I made passing reference to what we have done in terms of the voting system in the Scottish Parliament. We had an annus mirabilis in 1997. We received 46 per cent. of the vote. We are going to have to receive 50 per cent., or as near as damn it, to form a majority Administration, so to say that Labour Members are always interested just in self-interest, and that self-interest and party interest always overrule judgment on constitutional issues is hard to maintain. Therefore, he is being uncharacteristically ungracious to us, but I can see that I will have to leave him to harbour his sinister and dark, dark thoughts about our motives.

I am coming to an end because I have spoken for an inordinately long time. I apologise for that, but it has been an interesting debate. It is interesting that, time and again in the debate, right hon. and hon. Members have said that they object to devolution because it creates different classes of hon. Members. I think that, in a strange way, the complaint is the exact opposite—that devolution has come and that, because Scottish Members are being left with exactly the same rights as every other hon. Member, it has not created different classes of hon. Members. Most Conservative Members are arguing that we should have different classes of hon. Members—such as hon. Members who can vote only in an English Grand Committee, or hon. Members, including Scottish Members, who are knocked out of dealing with one type of situation or another.

Most of the solutions that are being suggested are ones that will build in differences and distinctions. In extremis, those solutions may well be justified. However, the House has always worked on the basis that every hon. Member has the same rights. If the House has decided that certain business should, as I said, be spilled to a subordinate Parliament or a different legislative forum, that is not necessarily a reason for introducing distinctions between hon. Members—which most of the rhetoric and speeches in this debate have held as abhorrent.

9 pm

Dr. Fox: The point that has been made is that those who are elected to the House from English constituencies will be able to ask questions on the health and education

[Dr. Fox]

of their constituents, but that those elected from Scottish constituencies will not be able to do so in the House. Where is the equality?

Mr. Dewar: The House has decided that health and education in Scotland should be dealt with in a different forum, and that that business will therefore not be before the House of Commons. However, every hon. Member will have equal rights in considering the business that is properly before the House. Most of the solutions being offered propose that that should not continue to be so. One can argue such a case, but one cannot do so on the basis that the trouble with devolution is that it will make for different classes of hon. Members. That is logically not a tenable position. The matter is of some importance in the script of this argument.

I accept that Conservative Members have, perhaps to their credit, accepted that they have to live with devolution, and that an unmistakable decision has been taken by the people of Scotland in a fairly contested referendum on an unambiguous question. Conservative Members have to recognise those developments, and I give them credit for doing so. However, if that is the position, people have to realise that they must live with it fully. Perhaps understandably, there is a desire to say, "We reluctantly accept the situation, but we still want to alter and perhaps delay the process until change comes." I do not have such a difficulty or take such a position.

The United Kingdom is a partnership, which has separate units, and has worked well for 300 years. I want it to continue working well and serving the people well. However, I think that we will most effectively remain a United Kingdom by recognising the position of Wales and of Scotland, and indeed of England, within the framework of the nation. In our devolution proposals, we are essentially saying only that there is a part of the United Kingdom that, increasingly during the 19th and 20th centuries, has maintained a difference which we should welcome as enriching the culture and political life of the United Kingdom.

Scotland has different health and education structures, different legislation and a different legal system. In many ways, we have a different cultural tradition. Time and again, friends of mine come up from England and invariably, if they are not familiar with Scotland, are struck by the reality of the differences. I think that, if we have such a situation, there is a considerable democratic advantage in saying, "Let us separate those areas of policy from Westminster, where they have sat a little uneasily, and put them under the control of an elected body that directly reflects Scottish opinion."

I accept that we do not necessarily want to take the same action in the north or west of England, as that might fragment something that most people in England think of as a unit. I accept also that people in those areas have a different tradition and a different attitude. However, there is no reason why the wishes of Scotland should not be so recognised.

If I may, I shall be extremely selfish for a moment. I have been in my present job for a year, and, in terms of better government, I can see enormous administrative advantages for Scotland under a devolved settlement. There are advantages for the scrutiny and analysis of legislation and for the decision-making process, so there is a very strong democratic case to be made.

My view, which I put on the record prosaically, is that it does not help to try to turn what I accept Conservative Members genuinely regard as a difficulty into a crisis that will destroy and promote turmoil in this country. By all means, let us talk sensibly about progress and further change. Of course, I have always seen the democratic and constitutional programme as a catalyst for further thought, but let us proceed sensibly to see whether there really is a problem. It may not be the problem that Conservative Members think it is. I do not believe that it will turn out to be that problem, but, if it does, it can be coped with on the basis of the tolerance and common sense that have always been the hallmarks of United Kingdom politics.

Mr. Gorrie: I welcome this debate as a few faltering steps on the road to federalism, which our party feels will be the final solution. Much good sense has been spoken in all quarters of the House. I shall set out how I think that we have got to where we are and why I think that the Conservatives have identified the wrong issue with the new clause.

We believe that sovereignty resides with the people and that the United Kingdom is a Union of nations, not a unitary state. The Scots, as one of those nations, have decided, because of their dissatisfaction with activities in this House over a good many years, to exercise their sovereignty and to have some of that sovereignty in future exercised in Edinburgh, as well as some here and some in Europe. By passing the Bill, we shall solve one major problem—the Scots' dissatisfaction with the way things were done—but we have created an anomaly by doing that.

The first question to be asked is how great is that anomaly. Some Conservatives think that it is a major disaster, as does the hon. Member for Linlithgow (Mr. Dalyell) who sometimes appears to have escaped from the Old Testament. He would have been a very distinguished ornament among the Old Testament prophets, or a distinguished member of the group of doom and gloom preachers whom his ancestor so vigorously massacred. However, the hon. Gentleman overdoes the doom and gloom. There is a problem but, as the Secretary of State said, it is not a major one.

Mr. Alex Salmond (Banff and Buchan): The ancestor of the hon. Member for Linlithgow (Mr. Dalyell) was reputed to have played cards with the devil; all that the hon. Member for Linlithgow has done is to play a few hands with the Tory party.

Mr. Gorrie: In our view, the Conservatives have identified the wrong issue. They think that the issue is the Scottish Members, whereas we think it is the English business. That is what Parliament has to address.

Some hon. Members have maintained that, unless this Parliament runs absolutely everything, civilisation and the world as we know it will collapse. I have been in the House only a short while, but spent 26 years as a councillor. Having become a Member of Parliament and ceased to be a councillor, I have to accept that many things affecting my community are decided by other elected people, not by me. Other people take planning decisions, close schools and so on. The idea that different elected bodies have different powers does not seem to be that great an issue.

Under the proposals, there will not be second-class Members because all Members will have the same restrictions. English Members will not be able to vote on Scottish domestic issues, but nor will Scottish Members. So it will be the same for everyone. The Conservatives made the wrong distinction. Some of them conjured up a picture of their surgeries being besieged by constituents who were absolutely livid that their Member of Parliament could no longer vote on education in Caithness or hospitals in Glasgow. I do not find that very convincing. Constituents worry about local services and not about whether their Member of Parliament can vote on issues affecting the other end of the country.

Although we have made great progress, the issue is the English business. I recognise that it is a difficult one because England is by far the most populous part of the United Kingdom and, quite understandably, many English people did not distinguish between England and the United Kingdom. However, now that Scotland and Wales are being treated differently, they are reappraising their Englishness, and that is a good thing. As others have said, it will result in evolution—gradual, uneven and untidy—which will lead to federalism, but there may be another solution.

There are various options for English people in exercising their sovereignty. Just as the Scottish people have chosen to exercise their sovereignty in a Scottish Parliament, the English people, when they have given the matter mature reflection, can opt for the status quo, warts and all; for a combination of strong regional assemblies dealing with English affairs; for an English Grand Committee, as has been mentioned; for an English Parliament made up of English Members of the Westminster Parliament; or for a totally different English Parliament. All those possibilities keep to the basic rule that all hon. Members must be equal.

The Conservative new clause would create second-class Scottish Members, and therefore goes in the wrong direction. What is needed is a way of dealing with the English business in a coherent fashion to allow English Members to deal with English business in whichever way the English people choose. The Irish will have their own Assembly and the Welsh and the Scots will also control their own domestic activities. In that way, whether it is a federal or quasi-federal system, we shall end up with a fair arrangement that will satisfy everyone. The Conservative new clause will be seen as creating second-class Scottish Members and will cause antagonism in Scotland. We accept that there is concern in some quarters in England, but it is an English question—*[Interruption.]*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. I have noticed that a few conversations are taking place around the Chamber. That is not fair to the hon. Gentleman who is addressing the House.

Mr. Gorrie: As I have said, we are making a definite move towards federalism. I hope that, before I look down on this place from a loftier height, or up at it from below, we shall have achieved a federal system of which we can all be proud. The Bill is a great step forward. It has made many English people look for the first time at themselves and how they should run their affairs, and I welcome that.

Mr. Davidson: I am struck by the number of English Tory Members who have said today that they accept that devolution will now take place. I could almost swear that at least twice I looked up and saw a flying pig disappear behind a cloud outside the window. Their statements have as much credibility as the concept of a flying pig. I do not believe that the Conservatives genuinely accept that devolution is about to happen. Instead of working to improve it and to overcome any difficulties, they continue to fight the general election that they lost. They are still putting forward arguments against devolution, which the people have clearly voted for. One Conservative Member said that he believed in devolution. He would have had more credibility had he said that he believed in revolution. He certainly did not give the impression of believing in devolution in his subsequent comments. That is useful for me and my party because it makes the Conservatives appear anti-Scottish. That is how they present themselves and how they are judged by the people of Scotland. It is why they will continue to fare very badly in Scottish elections.

9.15 pm

It is worth remembering why there is so much support in Scotland for a change to the existing constitutional arrangements. I remember the Tories ramming through the poll tax in Scotland against the overwhelming opposition of Scottish Members and the Scottish people. I remember them imposing rigged local government reorganisation against the wishes of the majority of Scottish people and Scottish Members. The same is true of the changes to the structure of the water industry and changes in education. Change after change has been rammed through in spite of the overwhelming views of the Scottish people. They were passed not by an English Member or two making the difference here or there. Those who voted the measures through were overwhelmingly English Tory Members.

The way in which the concerns of the people of Scotland were treated as a joke by Tory Back Benchers has caused the present revulsion against the Conservatives and resulted in the electoral outcome that they richly deserved. Conservative Back Benchers used to speak at inordinate length in Scottish debates to prevent Scottish Members from criticising what was happening in our country. Their arrogance has fuelled the rise in the nationalist vote and the xenophobia that unfortunately exists in parts of Scotland. Until the Conservatives recognise the part that they have played in bringing about the existing political balance in Scotland, they will not be able to move forward and make the contribution that they can make to political debate.

The overwhelming majority of people in Scotland prefer a Labour Government with a scheme of devolution. Their second choice would be the nationalists and independence, ahead of returning to the policies of the previous Tory Government, which were inimical to the interests of the Scottish people. The Scottish general election next May will be a test of those three strands, with the Liberal Democrats tagging along as well. There will be a major debate about whether we want a devolved Scottish Parliament to work.

I regret that the Conservatives have chosen not to make a positive contribution by proposing constructive improvements to the Bill. The best debates on legislation that I have participated in were those on the Bill establishing the national lottery. Once the principle was agreed, all hon. Members came together to discuss how

[Mr. Davidson]

best to make the system operate rather than obstructing a principle that they had not been in favour of initially. The Conservatives are continuing to fight the war that they have already lost.

I recognise the arguments about a Member of Parliament for Dunfermline being able to vote on matters affecting other parts of the country, but not those that affect Dunfermline. My hon. Friend the Member for Aberdeen, North (Mr. Savidge) explained the point well. This House is supreme and can decide whether it wants to retain control over education in Dunfermline, transport policy in Glasgow or social work in Edinburgh. If the House decides to delegate and devolve powers, that is not inappropriate. Anomalies are not heaven sent. They are being voted on and agreed by the House. Anomalies will also be created in Wales and, indeed, in London. Many hon. Members have asked where Labour Members are tonight. Most of them are campaigning for constitutional change in London. They are out there trying to ensure devolution for people in London.

Mr. Jenkin: It is touch and go.

Mr. Davidson: We shall see. At least we have set up a position in which a majority will decide. I hope that we shall not create any artificial barriers to the reflection of the will of the majority in any vote.

The issue of federalism has been raised on several occasions in the debate. I am not unsympathetic to some of the principles behind it. The hon. Member for Gainsborough (Mr. Leigh) said that there was a danger that, due to the size of England and the balance between England, Scotland, Wales and Northern Ireland, the English Parliament could achieve the status of a cuckoo in the nest. That is why there is a difficulty about such federalism.

I would be very supportive of a Parliament or some similar structure for the north of England because I am aware that the consciousness of feeling there is far greater than in many other parts of England. If the north of England moved at its pace and others at theirs, anomalies would be created, but at least the structure would correspond to what people wanted. Then, if areas wanted to take powers, they could have them, and the powers that they did not want could remain in the House. I accept that that is untidy, but it corresponds more closely to the will of the various peoples of these islands than some other solutions that have been proposed.

On what Scottish Members of Parliament will do after devolution, I speak as an hon. Member who would be quite prepared to leave the House. I have agonised over whether the House would be able to survive without me. Regrettably, I have come to the conclusion that it would—perhaps, it would be diminished. I should say that some seem so worried that the House might not survive without me that they are prepared to move, if not heaven and earth, at least twinning boundaries to ensure that I am unable to depart.

It is clear—we cannot say this often enough—that major responsibilities will remain in the House, some of which were mentioned by the Secretary of State. Consideration of trade union legislation, which will be coming up shortly, will remain in the House of Commons. Decisions on reform of the welfare state will remain here virtually in their entirety. Defence matters, foreign affairs, trade and industry and many consumer issues will remain in the House in their entirety.

All those functions could occupy an hon. Member on a full-time basis. They all offer the opportunity for constructive input into political decision making in the House. There will be more than enough work in Westminster for Scottish Members who choose to remain. It is appropriate that those of us who wish to leave recognise that and fly that flag on their behalf. There is no record of Scottish Members pulling less than their weight. I believe that they will continue to do so.

I hope that the House rejects the new clause because it is simply an attempt to wreck the process of devolution. The sooner that the Conservatives get round to accepting genuinely what has been proposed and the will of the Scottish people, the sooner they will make the constructive contribution to Scottish life of which many of them are capable.

Mrs. Gorman: I do not want to go over all the matters that have been well rehearsed all evening. I feel sad that, when we have these debates, we hear so many Labour Members from Scotland speaking as if they were quite separate from what this Parliament represents, which is the whole of the UK. I remind them that those people who had the opportunity to vote in the referendum were the Scots—and English people and others—in Scotland.

However, not all the Scottish people voted. If those who live in this part of the UK—numerically, they are probably greater than the 5 million in Scotland—had been asked, this debate would not be taking place, because the referendum probably would have gone a different way. We must not allow it to go on the record that this is the will of the whole of the Scottish people, a great many of whom are thoroughly integrated in England.

Mr. Alasdair Morgan: Surely the hon. Lady realises that the Government, who proposed the Bill, held the referendum and stated in the manifesto that they would introduce Scottish devolution, were largely elected by votes from south of the border.

Mrs. Gorman: The hon. Gentleman makes a perfectly good point. However, there are many parts in a party's manifesto, and it is difficult to suggest that any one is significant in getting the party elected.

I listened with great care to the Secretary of State, who was extremely emollient, charming and high-minded. However, I noticed who crept in and sat alongside him—the Minister without Portfolio, otherwise known as one of the main spin doctors. The party political element—raised briefly by my right hon. Friend the Member for South Norfolk (Mr. MacGregor) and dismissed by the Secretary of State—is that there is considerable political advantage in the arrangements which the Labour party has proposed.

The creation of separate states in Scotland, as I believe will happen, and in Wales—with a tiny majority—and the motives for the referendum in London, are seen by Labour spin doctors as having a distinct political advantage in maintaining the Labour party's position of power. It is proposed to break up England into regions, because the Labour party feels that many regions would have a strong Labour majority. That ought to be put on the record.

This is not a matter of high-mindedness entirely—of devolution to a people who feel somehow under-represented and oppressed in this place. That is not the basic motivation. That is all the more reason why we should pause, as the new clause asks us to do, and think again about the issue while there is still time. It is certain that the Labour party will not want any alteration to the Bill, but the new clause gives the English people a better opportunity to express their concerns.

The second issue around which we have tip-toed—although it has been mentioned—is the financial issue. Although Scottish Labour Members have been tempted to dismiss it, it is a fact that, in a representative democracy, the people allow themselves to be taxed, by those they elect, for purposes which they see to be of advantage to them. We are ensuring that people who are not elected by English voters will nevertheless have a significant say in the spending of the taxes raised from the English citizens of this country, who are in the majority and who provide the great bulk of the revenues of this country—despite what Scottish Members have said.

There will be contention about that—whether the Scots like it or not. I know that this is not a part of what we are debating, but, if Scottish Members wish to accept the full responsibility of Scottish devolution, they should accept that the time will come when the full financial cost will—I hope and suspect—be devolved to Scotland. That will be anomalous. We could have a predominantly Scottish Cabinet—we have one now, as nine Cabinet members are Scottish, plus the Prime Minister, who does not have a Scottish seat but is nevertheless Scottish—determining decisions that will be interpreted in terms of the financial demands made on citizens in England, which will cause dissent and contention.

Both are issues of practical politics. We have heard much about historical events and the background to the situation in which we find ourselves, but little about the practical politics and, in particular, the venal interests of the Labour party in bringing all this about. Labour Members see the legislation as part of the preservation of their hold on the governance of this country. I hope and believe that they will be sadly disappointed.

9.30 pm

Mr. Paice: We have heard many arguments from both sides of the House. It is sad that, with one or two honourable exceptions, such as the hon. Member for Linlithgow (Mr. Dalyell) and, to a certain extent, the Secretary of State, Labour Members seem to have been tilting at windmills. They have been impugning the motives of my right hon. and hon. Friends in tabling the new clause and the amendment, but those have nothing to do with English Members voting on Scottish issues or Scottish Members voting on English issues. The new clause and the amendment are not about devolution or delaying it, but about this House and the fundamental constitution of the United Kingdom. To the nationalists, it is therefore not an issue, but I am greatly saddened that the Labour party, as a major constitutional party and the Government of the United Kingdom, does not want to face up to what is happening.

The kernel of the issue is that, at every general election, every one of us is elected to this House to serve as a Member of the Parliament of the United Kingdom, and not in any other capacity. We are all equal. Although, from then on, we divide into parties, a Government are created and so forth, and we may decide, as we do, to devolve responsibilities, that does not negate the fact that at the time of our election we are supreme. We are all equal Members of this House of Commons, part of the United Kingdom Parliament, which is the supreme authority.

I am saddened that the Labour party has not faced up to that fundamental issue. My right hon. and hon. Friends have tabled the new clause and the amendment because of the imbalance created by the Bill, which will change, for the first time, the equality to which I referred and of which my right hon. Friend the Member for Skipton and Ripon (Mr. Curry) spoke so eloquently.

The issue is not whether there is enough for Scottish Members to do—I understand that they will have plenty of opportunities to fill their time—but that they will be elected on a different basis than Members representing the rest of the United Kingdom.

Mr. Savidge: Will the hon. Gentleman give way?

Mr. Paice: No. I have sat here fuming at the many interventions, wondering if I would be able to speak, and I know that some of my hon. Friends still want to do so.

The issue is that Scottish Members of this House will come here with many fewer responsibilities after the Bill is enacted. I think that the Secretary of State referred to duties and rights. Of course Scottish Members will have the right to talk about any issue that they want to, but, like English Members of Parliament, they will not be able to speak on matters that have been devolved to the Scottish Parliament.

We are talking not about Scottish Members' rights, but about their responsibilities. As Members of Parliament in the House of Commons, we shall all have responsibility for education, for example, in England, but not in Scotland. All being well, I shall have responsibility for education, the health service and other matters that affect my constituency. All English Members will be able to say, "I have a role in my constituency"—that will be the basis of their election to the House of Commons. Scottish Members of the Westminster Parliament will not be able to say that, however—they will not have the same responsibilities. That fundamental difference is the core reason why I believe that we shall face a serious problem.

I do not want to waste the time of the House by talking about English nationalism, although I believe that the Secretary of State was wrong to dismiss it so cavalierly. As my hon. Friend the Member for Ludlow (Mr. Gill) said, our job is to look forward. We have all been guilty—I say this honestly as a Conservative Member—of not thinking through the implications of legislation far enough into the future. Of course we make such mistakes, but that is why the Opposition are now pointing out to the Government what we perceive to be one of the consequences of the Bill.

I had hoped that the Government would take the issue more seriously, and recognise the validity of our argument. We are not trying to stop devolution; nor are we acting out of any of the motives that have unfairly been ascribed to us. We could argue the issue at a lower plane of intellect—we could argue about part-time or second-class Members, or suggest that Scottish Members should receive lower salaries. Those are all real issues, but they do not represent the fundamental problem.

[Mr. Paice]

The hon. Member for Edinburgh, North and Leith (Mr. Chisholm), among others, talked about asymmetry. It is true that there is already asymmetry in the systems of government in the United Kingdom. The House decided, in its wisdom, to devolve some responsibilities to unitary authorities in some areas, and to two-tier local government in other areas. However, the House itself is not asymmetrical. The Bill will introduce asymmetry to it, which is what I cannot in any way support.

Like other hon. Members, I have been reading the comments that have been made over the years. I was struck by what the Secretary of State for Foreign and Commonwealth Affairs, the right hon. Member for Livingston (Mr. Cook), said in 1992 as shadow Secretary of State for Health:

"Once we have a Scottish Parliament handling Scottish home affairs in Scotland, it is not possible for me to act as Minister of Health, administering health in England and Wales."

In this debate, no Labour Member—not even the Secretary of State for Scotland—has accepted the fundamental point that it would be wholly immoral for a Scottish Member of Parliament at Westminster to take a ministerial post with responsibilities for those affairs in England over which the House of Commons did not have control in Scotland. I had hoped that the Secretary of State would make at least a gesture to show that he had understood the merit of that argument.

Mr. Savidge *rose—*

Mr. Paice: No, I shall not waste the hon. Gentleman's time.

Like some of my hon. Friends, I have long believed in devolution. I know that that will be greeted with some mockery on the Labour Benches, which I can understand. However, Labour Members are gradually learning that, in government, there are things that one cannot say. They are learning the disciplines of being in the party of government—personal views have to take second place to the overall interests of the party. However, I can honestly say that I have always believed in the principle of devolution. It is an essentially Conservative principle to drive power down nearer to the people to whom it is applied. I have believed that for a long time.

The principle does not worry me, but I am angry that the Labour party has not allowed us to debate the fundamental issue about the imbalance of Members' responsibilities and consider how to address it. We cannot do that by playing with arithmetic and reducing the number of Scottish Members, or by playing with whether they should vote on English issues. Indeed, that exacerbates the problem, because every Member in a United Kingdom Parliament should have equal responsibilities.

The only way forward is to think of ways in which this Parliament can be adapted to incorporate the new arrangements for Scotland, Wales and, we hope, Northern Ireland. The only way forward is to move towards an English Parliament and a federal system. I believe that the Government are wholly wrong to reject the new clause and the amendment, for the simple reason that they are embarking on an agenda of constitutional change that they have no plans to complete.

The new clause is designed simply to require the Government to face the consequences of their actions for the United Kingdom. That is why I shall support it. I wish to goodness that the Labour party would give the issue the attention it deserves, and come up with some strong arguments on how we can deal with the implications of the actions on which it is set.

Mr. Swinney: After five hours and 20-odd minutes of listening to the debate, it is difficult to come to it with any fresh, new, bouncing ideas to liven up the House at 9.41 pm, but I will do my level best.

The consequences of devolution will preoccupy much of our debate in the months to come. We have spent a great deal of time on one question, when there are important issues in other parts of the Bill that will not be given sufficient scrutiny. I complained to the Secretary of State about that, but I know that it is not his fault, but the wish of the Conservatives. The debate has in reality been more about the English dimension than the West Lothian question.

I was struck by the comments of the hon. Member for South–East Cambridgeshire (Mr. Paice), of the right hon. Member for Skipton and Ripon (Mr. Curry), who expounded his belief in federalism, and of the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg). They believed that some constitutional change was required—either federalism or devolution—but when they were in government there was no movement towards resolving any of the dilemmas in a way that would have advanced the argument logically and rationally. If there had been such movement, the Conservatives might have been driving the agenda of constitutional change rather than following it, as much of their rhetoric shows they are doing now.

I exempt some Conservative Members from this stricture, but some of the speeches have shown that those who uttered them had learnt nothing from the referendum, the general election or the arguments about constitutional change. Their rhetoric runs counter to that of the Scottish Conservative party, which is adjusting and beginning to advance its thinking on these questions.

It remains to be seen—this will be an issue for all political parties that fight elections in both the Scottish and the United Kingdom contexts—whether the Scottish Conservative party can disentangle itself from much of the rhetoric imposed upon it by Conservative Members of this House. I accept that many Scottish Conservatives have no liability or responsibility for that rhetoric. None the less, it will certainly cause them political difficulties back home if some of the things that have been said in the House tonight are repeated on the airwaves within the hearing of voters in Scotland.

What seems to be at the root of Conservative Members' concern is the prospect of Scottish Members of Parliament forcing their views on a reluctant population in England. Hon. Members have made much of the times when that has happened since the war—between 1964 and 1966, and in the brief period between the two elections in 1974, when Scottish Members effectively tipped the balance of those Labour Governments.

9.45 pm

However, there has been somewhat selective recollection of the period between 1979 and 1997, when a

whole barrel-load of initiatives were taken by a Conservative Government who commanded minority—and a minority reducing at every election—support in Scotland. Measures were continually taken that were at odds with the views and the votes of a majority of Scottish Members of Parliament.

The hon. Member for Dundee, East (Mr. McAllion) went through a litany of the measures imposed on Scotland by the votes of English Conservative Members against the wishes of a majority of Members representing Scotland—Members from the Labour and Liberal Democrat parties and my colleagues in the Scottish National party. The poll tax was the prime example.

The debate has highlighted the imbalance of the progress of the constitutional debate within the United Kingdom. The Conservatives' argument is that, because not all the issues have been resolved in a United Kingdom context, the people of Scotland should be held back from realising an ambition and an aspiration long held in Scottish society.

I recognise that today the Scottish people are not in accord with the constitutional option that I happen to prefer as the long-term stable solution for Scotland. None the less, I recognise, as my party recognised at the time of the referendum, that there is an unmistakable drive within Scotland for more control over our own affairs—a wish consistently expressed as support for the Labour party, the Liberal Democrats or the SNP during the years of the Conservative Administration.

The argument against that seems to be that, because the people of England have not come to their conclusions, the people of Scotland should be held back from advancing their own interests. That is a fatuous argument, because decisions taken by the House of Commons over the past 150 years have steadily devolved functions to a separate Scottish administration without applying separate Scottish democratic scrutiny to those aspects of administrative devolution.

We have been told that this measure, which will give democratic scrutiny and powers to the Scottish Parliament, will provoke an English backlash. I could not find the sources in time for the debate, but my recollection of the opinion polls before the general election is that, when people in England were asked what they thought about Scottish devolution, by and large they said that it was a matter for the Scottish people, and that the Scottish people should go ahead with it if they wanted to; it was up to them.

Scottish Members of Parliament and Scottish opinion take the same view about the debate in England. It is up to the people of England to resolve the dilemmas and difficulties that face them about the way in which they are to be governed and represented within a United Kingdom that I realise, as everyone in the House realises, will never again be the same as it was before 11 September 1997, or before the passage of this Bill.

Various other solutions have been suggested to the issues raised by the West Lothian question—or the English dimension, whatever we want to call it. They have ranged from federalism, with an English Parliament, to a souped-up English Grand Committee, and to the answer that my party advances, which is rather simple—independence, which would allow the people of England and the remainder of the United Kingdom to sort out their own business and the people of Scotland to sort out theirs.

I thought that the hon. Member for Greenock and Inverclyde (Dr. Godman) offered an interesting argument in suggesting that the constitutional debate was on a route, albeit one that differed slightly from the motorway carefully characterised by the hon. Member for Linlithgow (Mr. Dalyell) in earlier debates. The road had a fork, with one route leading to federalism and the other to independence within the European Union. His central argument was that devolution is not the end of the road, and I agree. There is still a distance to be travelled, and the destination is not absolutely certain, but my hon. Friends and I will certainly argue for the stability of independence and direct representation for Scotland in Europe.

Much has been made of the new clause moved by the right hon. Member for Devizes (Mr. Ancram), which speculates on the future role of Members of Parliament representing Scottish constituencies. I was glad that the hon. Member for South–East Cambridgeshire (Mr. Paice) brushed aside the froth of the debate and said that it was not about money or working hours, but about functions and powers; that was a welcome and refreshing point. There will be many substantial issues for Scottish Members of Parliament who remain in the House to deal with, and although I hope not to be one of those people after the next UK general election, my Scottish National party successor will be here, reminding the House of imbalances in funding and various other issues.

Let us go though some of the issues that will occupy Scottish Members of Parliament. We have heard several hon. Members refer to the alleged fact that Scotland benefits from higher per capita funding. We have been though that debate time and again, but, as the hon. Member for Dundee, East rightly said, until we have transparency in the national accounts of this country, we will not have a definitive answer to that question.

Every time my hon. Friends and I press to get a little more transparency in different aspects of the huge pots of public expenditure that Governments both past and present have told us is unidentified—it could not be split up, and it was not possible to see where it was spent—we find that higher and higher proportions of that unidentified expenditure are being spent—surprise, surprise—in the south of England, and that Scotland is getting a disproportionate share of unidentified expenditure. When we get that transparency—that will be a challenge for the Scottish Members of Parliament who remain here—we shall be making progress in the arguments about the way in which Scotland is funded, and closer to discovering whether my party's repeated contention that Scotland pays its way within the United Kingdom is true.

We might find that, by persistent questioning, Scottish Members of Parliament could explain to the House what the Barnett formula actually does. We have heard many times that the formula gives Scotland far more money, but it is a convergence formula, designed to bring down certain levels of identifiable public expenditure. The explanation offered by the former Chief Secretary to the Treasury, the right hon. Member for South Norfolk (Mr. MacGregor), suggested that he is not terribly au fait with some of the formula's characteristics.

Other issues of great interest to Scottish Members of Parliament will include social security, which affects all our constituents. If social security cases were removed

[Mr. Swinney]

from my work load, there would be a substantial difference in the number of constituency cases with which I have to deal.

On macroeconomics and Europe, my hon. Friends and I are far from satisfied by the Government's provision in the Bill for representation of the Scottish Parliament within the European Union. We shall press that issue, to ensure that Scottish interests are properly and fully represented in the European Union. We skipped past the issue of defence, as if it was someone else's concern, but not far from the largest population centre in Scotland is one of the largest nuclear arsenals in western Europe, in the bases at Faslane and other parts of the Clyde. Those are big issues for Scottish Members of Parliament in future.

One of the arguments of the hon. Member for Billericay (Mrs. Gorman) was that Scotland wanted a Parliament because those of us who come here representing Scottish constituencies somehow feel oppressed. Our aspiration is to ensure that the major issues that affect our community are properly and democratically scrutinised by people within our community.

None of us can contemplate the way in which Scottish business is transacted in the House with any sense of pride that it has been done in the best and most effective way. The Secretary of State this evening strongly associated himself with the concern that the democratic scrutiny that our constituents expect us to be engaging in is not possible within the confines of the House.

This has been a long debate, and there is still a while to go. I shall soon resume my place to allow some final contributions to be made. The Scottish people have embarked on a move to regain democratic accountability. The move is not as extensive as I should like, but it is undoubtedly a step forward. It is a step to giving them more control over the issues that matter to them. I believe that, increasingly, their aspirations will grow. What is wrong is an amendment tabled by the Conservatives under the spurious definition of resolving anomalies, when it is simply an obstacle to the democratic progress of the Scottish people.

Mr. Peter Brooke (Cities of London and Westminster): It is a pleasure to be able to take up the remarks by the hon. Member for North Tayside (Mr. Swinney), whose articulateness—although I was bound to find some of it misplaced—was of a quality to have survived even an unusually long wait, as the hon. Gentleman testified.

The Secretary of State accused my right hon. Friend the Member for South Norfolk (Mr. MacGregor) of whipping up interest in the West Lothian question in his constituency. Though the hon. Member for Bolsover (Mr. Skinner) never seems to believe me, I spend a fair amount of my time on public transport in my constituency. On the tubes, we do not talk much—that is one of the characteristics of the tubes in my constituency. On the buses, it is a different matter, though I must say that it is mainly black female constituents who greet me across a bus with cries of enthusiasm that I am actually on it. As votes are fairly spare and sparse, even in my constituency, I do not respond by asking them their opinion on the West Lothian question.

My contribution will be brief because I know that several of my hon. Friends wish also to contribute to the debate. I apologise because I did not hear any speeches in the debate till that by the hon. Member for Falkirk, West (Mr. Canavan). Until the hon. Gentleman's contribution I was in a Select Committee. The hon. Member for Kilmarnock and Loudoun (Mr. Browne) is in his place to provide me with an alibi. I gather that I missed a notable speech from my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke).

The charge of Labour Members is that all the speeches by Opposition Members, with one or two exceptions, have been made by English nationalists. Three eighths of my blood comes from Ulster, defining that in the proper sense of that Province. Half of my blood comes from Wales and one eighth from Yorkshire. That was quite a useful admixture when I served as a Minister in Northern Ireland, for seven eighths of it was either Ulster or Celtic. I have no Scottish blood, which I regret. That is why I have not contributed to these matters so far, though I am honest enough to acknowledge that I was in Spain on 4 March with my preternaturally energetic and ubiquitous Select Committee, and therefore could not speak when the matters before us were previously raised. I doubt whether my blood makes me an English nationalist. Certainly English nationalism would not have done me any good in Northern Ireland.

The hon. Member for Linlithgow (Mr. Dalyell) posed his famous question when I first entered the House—not in any way causally but it was at about the same time. One of the characteristics of the past two decades has been that the party that formed the present Government had really given up on trying to answer the question. However, I acknowledge that the Labour Government have tried to answer it. The Secretary of State, in his admirable speech—I hasten to compliment the right hon. Gentleman although he deflected the compliment from my hon. Friend the Member for Faversham and Mid-Kent (Mr. Rowe) about his sardonic wit—said that Conservative Members really had to accept the Bill, warts and all, and that we should effectively grin and bear it.

I thought that in asking us to do that, the Secretary of State rather passed over the fact that the West Lothian question addresses an English dimension rather than a Scottish one, which was otherwise the gravamen of the charge that we were against the Bill.

The Government do not wish to respond to the West Lothian question, and their problem is that if they acknowledge its seriousness and provide a solution, it will cause them further trouble. In the circumstances, I am not surprised that the Secretary of State asked us to accept the Bill, warts and all. The hon. Member for Aberdeen, North (Mr. Savidge), uniquely in the debate, believed that he had answered the West Lothian question: I envy him his self-confidence, especially as he is the first person in 20 years to have done so. His self-confidence owed a little more to ephemeral arithmetic than to constitutional integrity, but at least he, from the Labour Benches, addressed the question.

10 pm

The hon. Member for Galloway and Upper Nithsdale (Mr. Morgan), among others, accused Conservative Members of seeking to delay matters on the ground that we do not like the Bill. Our motivation is different.

We cherish the Union and wish to preserve it. I appreciate that that distances us from the hon. Member for Galloway and Upper Nithsdale, but our support for the Union causes us to insist on a satisfactory answer to the famous question posed by the hon. Member for Linlithgow. The absence of an answer constitutes a fault line of exceptional potential peril for the Union.

I savour the old joke that whenever the British answer the Irish question, the Irish change the question, but the hon. Member for Linlithgow has never needed to change the question because no one has ever provided an answer. My right hon. Friend the Member for Devizes (Mr. Ancram) pressed for a review so that the consequences of its not being answered could be addressed. In the history of the Union, a delay of a year would be but a hiccup.

My right hon. Friend the Member for South Norfolk drew attention to the virtual absence of English Labour Members throughout the debate. I do not know their views on the Union, but it is surprising that they are universally without views on the West Lothian question.

I close by reminding the House of Chesterton's poem, "The Secret People":

"Smile at us, pay us, pass us; but do not quite forget,

For we are the people of England, that never have spoken yet."

I hope that we never have cause to speak.

Mr. Robathan: It is a great pleasure to follow my right hon. Friend the Member for Cities of London and Westminster (Mr. Brooke) who, as always, made an erudite speech. I agree with it entirely. I shall not reiterate the points made in excellent speeches from the Conservative Benches and shall be brief to allow my hon. Friends to speak.

Sadly, the Secretary of State is not in the Chamber. I, too, pay him a compliment: we shall miss him when he departs the House, because he has great command and acerbic wit. After 18 years in opposition, I am surprised that he is prepared to go off to Edinburgh because it appears from the latest opinion polls that he may be about to resume his position in opposition.

New clause 1 represents the crux of the Bill and the crux of the matter. The Bill rests on the West Lothian question, which we should perhaps call the Linlithgow question because boundary changes have intervened. It is about the relationship between England and Scotland and the relationship between English Members and Scottish Members. I am a passionate Unionist. I am British and have always described myself as British. I regret that we shall have devolution, but it will happen. If the Bill is passed unamended, I regret that English nationalism, which I shall not support, will grow as night follows day.

We must consider the relationship between the two countries. For every five voters in my constituency of Blaby—indeed, for every five voters throughout England—Scottish Members represent but four Scots. We all know that that is not fair and no one would defend it. It is apparently to be addressed and amended by the boundary commission, but not before the next election—not until after 2003.

I would object if someone said that four white votes would be worth as much as five black votes, as would every other Member of Parliament, so how has this come about? English Members acquiesced in the over-representation of Scotland because they believed in the Union, but all that is changing and we should alter the relationship whereby Scotland is over-represented in the House. The Scots wish to be doubly privileged, with over-representation and with their own Parliament. However, the main point is the West Lothian, or Linlithgow, question.

I assure Labour Members that my constituents care about this issue. They do not want Scots MPs to determine their laws if Scotland has its own Parliament and I, as their Member of Parliament, have no say on Scottish domestic matters. Why should Scottish representatives determine English domestic matters? The Secretary of State said that we should not be telling people about this question. We have a responsibility to ensure that our constituents understand this matter. It is as if the Secretary of State were saying in 1938, "The Prime Minister says that it is peace in our time, so don't you dare say that there are faults in this agreement." It is incumbent on MPs to point out the faults in legislation.

If the Bill is unamended, it will lead to resentment and jealousy. No Union can prosper in such an atmosphere. In families, friendships and marriages, people fall out over money, and that is even more likely to happen between nations in such unequal and anomalous circumstances. The Barnett formula can no longer be sustained. The Scots should not demand devolution and extra money, yet that is what they are demanding: they want to have their cake and eat it. That is unacceptable.

Scotland will get much from devolution, but will give up nothing. It will have its own powerful Parliament, its own MPs and devolved powers. It cannot logically have over-representation, control over English matters and more money. We should re-examine the relationship in the Bill, as the new clause allows, or it will have dire consequences for the Union and for its peoples.

Those are my fears. I believe passionately in the Union, but England has rights, too. This is not just about Scotland: it is about England and Scotland. I accept that Scottish devolution will happen, but I urge the Government to ensure that inequalities and iniquities are removed to provide a solid foundation. I do not want an English Parliament, but I fear that that may be the logical consequence of the Bill.

The English are not easily moved by constitutional principles, but there is enough to disturb them in the small print of the Bill and in what has been omitted altogether. The Bill's success and that of the Union hinges on the good will of the people of England, which demands that the Bill be amended. The English do not resent the Scots. Many Scots are active in my constituency association, but I find it strange that the Scots resent the English. *[Interruption.]* I notice that an Englishman who represents a Scottish constituency is laughing, but I know that the Scots resent the English: their attitude is almost racist. The Bill reflects the small-minded, petty, almost racist attitude of Scottish Nationalist supporters. *[Interruption.]* If hon. Members do not think that their attitudes are small-minded they should go to Scotland. I find it mean and small-minded when people are served in pubs and are told, "Here you are, you Englishman."

Mrs. Laing: It is much worse than that.

Mr. Robathan: My Scottish colleague, my hon. Friend the Member for Epping Forest (Mrs. Laing), says that it

[Mr. Robathan]

is much worse than that. The English are extremely tolerant, as the Secretary of State said. They want to be friends with their Scottish brothers. I am British—English and Welsh by birth—and I believe that if the Bill is enacted unchanged English tolerance will diminish. English nationalism, as petty and mean as Scottish nationalism, will rise. That will be to the detriment of all parts of the United Kingdom separately and as a whole.

Mr. Leigh: It has been a long wait, but I hope to say something distinctive from what has been said so far and thereby not be too wearing for my colleagues.

It has become almost a fashion in this debate for us to bare our souls and say that we were in favour of devolution all along. I am afraid that I was not in favour of it, and I was wrong. We tried to defy gravity in Scotland and we paid the price. The Conservative party is now sensibly coming to terms with that and accepts that devolution is inevitable. However, it raises serious problems, which we are honestly trying to address. My views on devolution are irrelevant, because we must deal with these problems.

In this debate, we have made the mistake of trying to answer the unanswerable. I refer to the question posed by the hon. Member for Linlithgow (Mr. Dalyell)—although, in fact, it is not his question; it is the old Irish question, which was debated extensively over a number of weeks nearly a hundred years ago when Gladstone tried to introduce his Irish home rule Bill. Exactly the same arguments were discussed then. It is actually the Irish question, but it is, of course, an unanswerable question: that is why those debates were so lengthy and so difficult.

Mr. Dalyell: I flatter myself that, when I first posed the question, I did so in terms of Morley's life of Gladstone.

Mr. Leigh: It is typical of the hon. Gentleman's modesty that he does not claim credit for the important constitutional question that we are now debating. My hon. Friends, however, have—sensibly—posed that question, and have described the anomalies that will arise. I will not refer to them again, because they are well known and have been debated extensively. The solutions, however, have not been so widely debated, and I now want to convince the House that they are completely, or at least fairly, unworkable.

The first so-called solution is simply to reduce the number of Scottish Members of Parliament. As Enoch Powell famously observed during the debates of the 1970s, that is not a solution at all, although it may lessen the gravity of the problem. The Government are managing to reduce the number of Scottish Members of Parliament to a proportion similar to that in England, but the problem remains.

The second so-called solution is the federal solution, which exists in various guises. One is, in my view, inadequate: the creation of regional assemblies in various parts of the kingdom. There may well be a call for a northern regional assembly, but there is no such call in areas such as the east midlands or the south-east of England. That solution is also inadequate because such regional assemblies will have no law-making powers.

The third so-called solution is, perhaps, the worst of the lot. I refer to the in-and-out solution—which, again, was canvassed extensively more than a hundred years ago. Contrary to what many of my hon. Friends have said, it would be utterly unworkable in a Cabinet system. As I said earlier, the government of the United Kingdom must be based on the totality of Members of Parliament. We cannot allow someone to run a Government and not manage to take business through Parliament because some of his supporters are not allowed to vote in the Lobbies. That system would be unworkable, and it will never operate.

Some of my hon. Friends have suggested another solution, which I consider very dangerous: the so-called English Parliament solution. My right hon. Friend the Member for Skipton and Ripon (Mr. Curry) suggested that we could be Members of both the English and the federal Parliaments. Apart from the problem that Scottish and Welsh Members apparently do not want that, it would not be a solution in any event, because of the disparate sizes of the various nations that comprise our union. As I have already pointed out—and it is obvious—the English Parliament will merely acquire more and more powers, and will become, in effect, supreme. Are my hon. Friends serious? Will they stand for an English Parliament, or for a United Kingdom Parliament? Where would an English Parliament sit, and what would be left of the United Kingdom Parliament?

In theory, the United Kingdom Parliament will debate foreign affairs and defence. We all know that a large part of our defence policy has already been surrendered to NATO. How independent are we, in terms of foreign affairs? How much will there be to discuss? Of course people will gravitate towards the English Parliament, because that is where the real power will be—and this United Kingdom Parliament will wither and die.

Mr. Letwin: I agree with much of what my hon. Friend is saying, but is there not a further problem? Are not the very matters that are reserved under the Bill—which would presumably fall to a federal Parliament—almost exactly coterminous with those that are being given over to Brussels under the various treaties?

Mr. Leigh: Yes.

Much as I should like us to be as powerful as the United States, we are not. The reality that we face in the world and in Europe is that there is not a sufficient role left for a United Kingdom Parliament once health, education, housing and everything that is devolved to Scotland go down to an English Parliament, so I say this seriously to my hon. Friends: none of these so-called solutions is in fact a solution. They are all dangerous.

By all means, as a party, we are entitled to point out the anomalies and difficulties of this legislation. It is not good enough for the Government just to brush them aside, but, as a party, we have to be big hearted about this, too. We have to remember that, first and foremost, we are not just Conservatives, not just Englishmen and Englishwomen. We are Members of the United Kingdom Parliament. We are members of the Conservative and Unionist party.

If we play this card too heavily, if we approach the next general election suggesting an English Parliament, kicking Scottish Members out of certain aspects of this Parliament or having them as subsidiary Members, we will destroy the Union that we love and revere. We did not create this legislation. We did not create these problems. We are

right to point out that there will be anomalies, as there are in any constitutional framework, but we have to have the courage to reject solutions that will destroy this Union and drive our Scottish friends out of this Parliament for good.

10.15 pm

Mr. Grieve: I am grateful for the opportunity to participate in the debate and I shall try to be brief.

In his characteristically courteous speech, the Secretary of State for Scotland accused those of us who have filled the Benches either of being driven by the Whips or of trying to create a problem that did not exist. As to the first, I assure him and reiterate that we have come here because we are concerned about this issue. As to the second, he has a compelling point.

It is easy for us to magnify our concerns and to articulate them in the House when the concerns may be fantasy—perhaps wishful thinking on our part that there is resentment against the proposals in England, which does not exist. From all my experience in my constituency, from what I listen to and ask people about, I am not persuaded by that argument. I am also not persuaded by it because of everything that goes in to make English nationhood.

During the debate on Scottish devolution, we have spoken much about the Scottish sense of identity. We have also spoken about the Welsh sense of identity, but, as I have listened to the debates and to the justified sentiments, which I have appreciated and understood, about a Scottish sense of nationhood, it has become apparent that we in England have been reduced to a sort of blob. I am no longer apparently to be the Member of Parliament representing an English constituency and a constituent part of the United Kingdom; I am to represent a left-over area that lacks its own identity and does not need any sort of separate representation for itself. That is a totally untenable argument.

Most of our country's institutions have an English origin; indeed, that is one of the reasons for some of our complaints during this debate. The concept even of parliamentary sovereignty, so rubbished by the hon. Member for Dundee, East (Mr. McAllion), although it is adhered to by the Secretary of State, has its origins in English parliamentary practice. Our pluralistic democracy derives ultimately from English precedent. People may go into a public library and find much about English parliamentary history, but they will have to go deep into the recesses of the history section to find much about the history of the Scottish Parliament before 1707.

Mr. Salmond: What does that tell the hon. Gentleman?

Mr. Grieve: That indicates to me that, unless the arrangements that are brought about for devolved government in Edinburgh are acceptable within the parliamentary context to people who live in England, they will not work.

The proposals in the Bill are fundamentally flawed. Although we have heard much in our debates about the possibility under the new system of insufficient comparability between hon. Members, I am troubled more about the lack of equality between electors. We will establish a system in which electors in one part of the United Kingdom will exercise power without responsibility by sending representatives to the House who will not be affecting their daily lives, but who will have the capacity to affect the daily lives of others in the United Kingdom.

In my maiden speech, which I made almost one year ago, I made the point that, although the Government planned to incorporate the European convention on human rights—which I approve of, thereby, I suspect, placing me in a small minority within my party—they had yet to answer to my satisfaction the question of how article 3, dealing with the right to free elections, and, above all, with the right to ensure people's free expression in their choice of a legislature, squares with a system in which different groups of electors will have different powers in choosing hon. Members, as those legislators will have different abilities to affect different people once they are elected to the House. The question has not been answered, and it cannot be answered under the proposals in the Bill.

This country was created by the Union of two nation states, both of which have the capacity and the right to opt out of that Union. However, the proposed arrangements completely disregard the rights of the larger nation state—which has been the motor force behind the Union ever since it was created. Unless that issue is addressed, we are on the road towards a very sad and sorry end to something that, as an out-and-out Unionist, I value enormously.

The issue can be addressed. I have often said on many occasions in our debates on the Bill's passage that, although the Bill may sometimes appal me, my adherence to the Union is nevertheless such that I wish the Bill to succeed. The legislation's success may well require enormous changes in the House's practices, and may even require acceptance of the federalist option, which I find an extremely uninviting one.

I am at a loss to think how the West Lothian question cannot be answered by removing the voting rights of Scottish Members in matters that no longer concern them, because of the changes that have been made in the Union. The unwillingness to answer the question, for—I am sorry to have to say it to the Secretary of State—party political advantage does the Government little credit. Unless the matter is dealt with soon, it will simply come up behind us and sweep us along.

I accept that the devolution issue may not be continually discussed in the pubs in my constituency, but my mailbag and people's comments are quite sufficient to make me realise that it is a real issue and that we disregard it at our peril. Most Englishmen and Englishwomen are pretty pragmatic. However, when a situation arises in which the United Kingdom's established parliamentary system is put out of kilter by the presence at Westminster of Scottish Members voting on matters in which they have devolved rights at Edinburgh, that system will break down.

Mr. Denis MacShane (Rotherham): Will the hon. Gentleman tell the House how many letters on the issue he has received, and would he care to place them in the Library? As someone representing an English constituency, I am genuinely interested in the letters. In the previous Parliament, I legislated on Scottish affairs, and Scottish Members legislated on English affairs. However, I received no such letters. I do not deny the

[Mr. Denis MacShane]

sincerity of the points made by the hon. Gentleman, but will he put his letters in the Library, so that the rest of us can see the nature of the concerns?

Mr. Grieve: The issue has been raised with me in my constituency, both informally and at every single public meeting with which I have been involved—*[Interruption.]* Moreover, I have certainly had correspondence on it. One thing that has struck me—*[Interruption.]*

Mr. Deputy Speaker: Order. There is far too much noise in the House.

Mr. Grieve: I always find it remarkable how few letters I receive on many topics, but I am happy to write to the hon. Gentleman when I have checked to see how many letters I have had on this one. I cannot answer his question now.

My parting words are that I accept that my own concerns, genuine though they are, might not be matched by those of my constituents. However, over the past 12 months, my impression, which has derived from conversation, correspondence and all that I have seen, is that my concerns are matched. We disregard that fact at our peril.

Mr. Andrew Mackinlay (Thurrock): I shall be brief, but, as a Labour Member representing an English constituency, I want to contribute to this major constitutional debate before it is concluded. I have tabled amendments to the Bill, but whole-heartedly support the measure for three reasons and will resist the new clause. My first reason for supporting the Bill is that Scotland is a nation, a fact which needs to be recognised.

Mrs. Laing: Will the hon. Gentleman give way?

Mr. Mackinlay: No, I shall not give way.

Secondly, the Bill reinforces the Union and gives it some prospect of continuing. It gives new life to a Union which is in jeopardy, especially following the traumatic 18 years of Conservative Government.

My third reason relates to the United Kingdom. We need to advance the proposals on the grounds of good governance. It is in this connection that I address the West Lothian question, which is very real not only to those who are opposed to devolution, but to those who, like me, advocate it. The position is sustainable, but only in the relatively short term. However, the hallmark of the Government—their agenda and their prospectus—is one of dynamic constitutional change. The problems raised by the West Lothian question can be dealt with provided that the Government continue to reform the constitution and devolve powers to other parts of the United Kingdom. I look to the Treasury Bench because there is a need for symmetry throughout the UK, and a need for a federal solution. That may include an English Parliament, and we should not shrink from considering that. I say that on the ground of good governance.

One matter with which few hon. Members have dealt, either today or at any other time, is that although we covet powers in this place, we do not provide for adequate scrutiny and accountability. It is time that effective decisions were taken at the lowest possible level. Scrutiny of the ever-increasing role of government needs to be carried out much more effectively than is done in the House. Also, our scrutiny of legislation is a sham. It is time that we re-examined the whole UK constitution, which would overcome the West Lothian question.

This is an extremely important matter. The solution must ultimately be a modern, dynamic constitution based on a federal solution.

Dr. Fox: This has been an extremely good debate. Many of us believed that there was plenty of justification for having a debate of this length, and we have been shown to be correct.

The essential argument centres on the equilibrium of the Union. As has been pointed out by several hon. Members, we do not start from a point of symmetry within the Union. We have had an asymmetrical Union, which was perhaps required by the way that the Union came about and, not least, the fact that 85 per cent. of those within the Union live in one constituent part of the Union—England. The Union has always been weighted towards the periphery to maintain a balance within it.

However, the balance is fundamentally altered by the devolution Bill before us because it pretends that we can alter the constitutional relationship within one part of the United Kingdom without affecting the rest of the Union. That is not possible. We seek fairness, balance, stability and, above all, permanence in the new constitutional relationships. That was said at the outset by my right hon. Friend the Member for Devizes (Mr. Ancram) and by my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) in his excellent speech.

The issues do not relate only to Scotland; they also affect Wales and Northern Ireland, although I am not at liberty to discuss them now. We need to consider the equivalent roles of Members of Parliament. My right hon. Friend the Member for Skipton and Ripon (Mr. Curry) asked whether we, in the United Kingdom Parliament, will all be the same. Even the hon. Member for East Lothian (Mr. Home Robertson), who is not in his place, said that we must not have two categories of Members in the House, yet that is exactly what the Bill creates. Those elected to represent Scottish constituencies will be able to vote on English business, whereas those elected to represent English constituencies will not be able to vote on Scottish business. More bizarrely, those elected to represent Scottish constituencies will be unable to vote on certain aspects of Scottish business that affect their own constituents.

Dr. George Turner (North-West Norfolk): Will the hon. Gentleman give way?

10.30 pm

Dr. Fox: No.

My hon. Friend the Member for South-East Cambridgeshire (Mr. Paice) said that asymmetry is being introduced into the House. Although we can accept asymmetry into the Union in order to make it work, we cannot have asymmetry in the House and still have a United Kingdom Parliament.

We need to look at the rights and functions of Members of Parliament. In reply to my earlier intervention, the Secretary of State said, technically correctly as he is

a lawyer, that all hon. Members will have the same rights. However, they will not have the same functions. He said that they will become specialists, not generalists, but they cannot become specialists in subjects that do not directly affect their constituents. They will not be able to be specialists in health, because they will not be answerable to their constituents on such matters.

The Secretary of State expressed what I considered to be a bizarre view of the role of Members of Parliament in answer to a question from my right hon. Friend the Member for South Norfolk (Mr. MacGregor). My right hon. Friend said that his constituents were not yet concerned about the issue, but that they would be. He said that the more he explained it to them, the more concerned they became. The Secretary of State replied, "In that case, you should not explain it to them. They will be much happier if you leave them in the dark." What my right hon. Friend described is the role of a Member of Parliament. That is why we are here. When the Government are legislating, it is our constitutional duty to point out the flaws in their proposals and tell them where they are going wrong. *[Interruption.]* The Secretary of State laughs and says, "Ha! Constitutional duty." That is exactly the response that I would expect from a Secretary of State whose Government treat the House with utter contempt and who has no concept of the role of Members of Parliament.

We have discussed a range of potential solutions. We talked about reducing the number of Scottish Members, but that is not a solution; it is simply an acknowledgment of the problem. We talked about reducing the number of Scottish Members and having a convention of silence in the same way as Stormont. We talked about English regional government and the slight snag that the English do not want it. We discussed solutions within Westminster, the designation of business and an English Grand Committee. Each solution had its own flaws, which were pointed out by my hon. Friends. We debated setting up an English Parliament within a federal structure, which also has many drawbacks. None of the possibilities was without problems, but at least we accept that we need to consider them.

Why does the Secretary of State refuse to accept that the West Lothian question is a fundamental problem? The reason is that if he accepted that, he would have to come up with a solution. It is much easier to pretend that there is no problem and avoid having to produce difficult answers. That is why, in six and a half hours, we have had none. We have heard no acknowledgement that the problem exists and no solution.

As a consequence, we face three problems. The first is the danger of fanning the flames of nationalism. We all accept that there is a difference between national pride and nationalism. At the start of the debate, my right hon. Friend the Member for Devizes said that we must reintroduce the idea of people taking pride in being Scottish and British, Welsh and British and Northern Irish and British. All nationalism is dangerous. The hon. Member for Linlithgow (Mr. Dalyell) talked about the slow-burning, smouldering candle of nationalism. English nationalism will be as destructive to the Union as is Scottish nationalism. There can be no place in the Conservative and Unionist party for narrow-minded English nationalism.

The hon. Member for Dundee, East (Mr. McAllion)—who, like many Labour Members, is not in his place—gave us a great historical rant, saying that the 1688 settlement was an anti-Catholic, anti-Scottish conspiracy. He said that there was nothing unitary in our state, forgetting about the Crown, Parliament and the armed forces. He told us that English Labour Members had no problems with the Bill, which probably explains why the hon. Member for Thurrock (Mr. Mackinlay), who has just spoken, was the first Labour Member from England to take part in our debates since Second Reading. I am glad that Millbank tower's pager system is still working. The hon. Member for Dundee, East gave us the Enid Blyton, subliminally anti-English view, which is strong in his brand of Scottish politics. He said that people in the south-east of England got all the money, had all the big houses, were paid all the high salaries and were living off the taxpayer. That is indicative of the language that has resulted in the growth of nationalism in Scotland.

The hon. Member for Galloway and Upper Nithsdale (Mr. Morgan) failed to understand the legitimate English concerns that have been expressed about the measure. He told us that we were spending too long on this aspect of the Bill, appearing to argue that it is unacceptable for the majority of Members of Parliament to discuss matters that relate directly to them. Deriding English interests is all right for them, but if we do not indulge every nationalist whim, we are being anti-Scottish.

Mr. Alasdair Morgan: Will the hon. Gentleman give way?

Dr. Fox: No. I am sorry, but the hon. Gentleman must realise that I am short of time.

I am glad that the hon. Member for East Lothian is now in his place. He said that there was a democratic deficit in Scotland if laws could be enforced there through the votes of English Members of Parliament. That is not an argument for the devolution in the Bill, but for separatism. Given the reserved powers in the Bill, it will still be possible for laws to be enacted in Scotland on the votes of English Members of Parliament. If that is the logic of his argument, it is closer to the position of the Scottish National party than that of his party.

There are two other problems with the Bill. One is the expectations being raised ahead of the introduction of the Scottish Parliament. However, the most dangerous is resentment. My right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) summed up the views of many Labour Members, who believe that because of the perception of a political injustice having been done to Scotland when laws were imposed on it by a Government of a different political colour, it is all right for them to perpetrate an injustice on the rest of the United Kingdom.

Therein lies the root of the resentment that may eventually manifest itself as English nationalism. My hon. Friend the Member for Gainsborough (Mr. Leigh) raised another difficulty. He asked whether, if Scottish Members were unable to vote on English issues, they could sit in a Cabinet that decided policies for which they could not vote in the House of Commons. The Government are not facing up to those practical difficulties.

There is also the issue of scrutiny and accountability. All Members of Parliament of whatever party and from whatever part of the United Kingdom have a tax-raising

[Dr. Fox]

role. We are responsible for raising the revenues that the Treasury will spend. We must have a mechanism to enable those who raise the taxes to question those who spend the taxes. We can call to account those who spend money from the Treasury through the Department of Health or the Department for Education and Employment. There must be a mechanism to enable those who are responsible for raising taxes to scrutinise those who spend money on Scotland, Wales or Northern Ireland. The alternative to such a mechanism, which is part of the ideas that we want to put forward in the review, is a fully federal structure in which all parts of the United Kingdom raise all their own taxes and scrutinise the spending of that money.

The Government cannot simply pretend that there is not a problem. There is a problem that must be addressed. We have a tale of two different Governments. In the House we have the Secretary of State—witty, if evasive, when he is not sleeping—who pretends that there are no problems and that all is well. The man who promised when we were debating the White Paper that there would be no increase in nationalism now promises no problems with the West Lothian question—or, as the hon. Member for North Tayside (Mr. Swinney) correctly called it, the English dimension.

Outside the House, they are a different Government—a Government who are losing their way and losing their grip. It is a case of "Another spin doctor for the Secretary of State. Send for the Chancellor to help out the Secretary of State. Send for anyone except the Prime Minister, who does not want to get his hands dirty in case it all goes wrong." The Government's timetable on this measure is a shambles.

Although there are those who are not Unionists—many of them are frank about it—and do not share our concern about the future of the Union, many hon. Members on both sides of the House are Unionists and are proud of it. We are not the Union that we were 300 years ago. We are not a Union of paper. We are a Union of people who have travelled, settled and married in all parts of the United Kingdom. The new clause asks only that we stop and think before we proceed, before we do irreparable damage. For the sake of the House, but more importantly for the sake of Union, I urge the House to support the new clause.

Question put, That the clause be read a Second time:—

The House divided: Ayes 136, Noes 277.

Division No. 267] **[10.40 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Atkinson, Peter *(Hexham)*
Baldry, Tony
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Forth, Rt Hon Eric
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Rt Hon Sir Alastair
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Hayes, John
Heathcoat-Amory, Rt Hon David
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Simpson, Keith *(Mid-Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Tredinnick, David
Trend, Michael
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Oliver Heald and
Mr. James Cran.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashdown, Rt Hon Paddy
Austin, John
Banks, Tony
Barnes, Harry
Beard, Nigel
Begg, Miss Anne
Beggs, Roy
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Berrningham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Boateng, Paul
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm *(Gordon)*
Buck, Ms Karen
Butler, Mrs Christine

Byers, Stephen
Campbell, Menzies *(NE Fife)*
Campbell–Savours, Dale
Canavan, Dennis
Cann, Jamie
Casale, Roger
Caton, Martin
Chisholm, Malcolm
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Rt Hon Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Cranston, Ross
Crausby, David
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Cunningham, Ms Roseanna *(Perth)*
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Rt Hon Ron *(Caerphilly)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobson, Rt Hon Frank
Doran, Frank
Dowd, Jim
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Ewing, Mrs Margaret
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Flint, Caroline
Foster, Rt Hon Derek
Foulkes, George
Galbraith, Sam
Gapes, Mike
George, Bruce *(Walsall S)*
Godman, Dr Norman A
Gordon, Mrs Eileen
Gorrie, Donald
Grant, Bernie
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hanson, David
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howells, Dr Kim
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jamieson, David
Johnson, Alan *(Hull W & Hessle)*
Jones, Barry *(Alyn & Deeside)*
Jones, Helen *(Warrington N)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kemp, Fraser
Kennedy, Charles *(Ross Skye)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kilfoyle, Peter
King, Ms Oona *(Bethnal Green)*
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Levitt, Tom
Liddell, Mrs Helen
Linton, Martin
Livingstone, Ken
Livsey, Richard
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCartney, Ian *(Makerfield)*
Macdonald, Calum
McFall, John
McIsaac, Shona
Mackinlay, Andrew
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mandelson, Peter
Marek, Dr John
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Martlew, Eric
Meacher, Rt Hon Michael
Meale, Alan
Michael, Alun
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Alan
Mitchell, Austin
Moonie, Dr Lewis
Moore, Michael
Moran, Ms Margaret
Morgan, Alasdair *(Galloway)*
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rapson, Syd
Reid, Dr John *(Hamilton N)*
Rendel, David
Robertson, Rt Hon George *(Hamilton S)*
Roche, Mrs Barbara
Rogers, Allan
Rooney, Terry
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Ms Joan
Salmond, Alex
Salter, Martin
Sanders, Adrian
Savidge, Malcolm
Sedgemore, Brian
Sheerman, Barry
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Stott, Roger
Straw, Rt Hon Jack
Stringer, Graham
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Tyler, Paul
Vaz, Keith
Wallace, James
Walley, Ms Joan
Watts, David
Welsh, Andrew
White, Brian
Whitehead, Dr Alan
Williams, Mrs Betty *(Conwy)*
Wilis, Michael
Winnick, David
Wise, Audrey
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Mr. Jon Owen Jones and
Mr. Robert Ainsworth.

Question accordingly negatived.

Bill, as amended (in the Committee), to be further considered tomorrow.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Thursday 21st May, the Speaker shall not adjourn the House until she shall have notified the Royal Assent to Acts agreed upon by both Houses.—*[Mr. McFall.]*

PETITION

High Newton and Low Newton Bypass

10.54 pm

Mr. Tim Collins (Westmorland and Lonsdale): This petition has been signed by nearly 2,500 people, either as residents of the villages of High Newton and Low Newton or as employees in south-west Cumbria. It is supported by all the local authorities in south Cumbria and by the hon. Member for Barrow and Furness (Mr. Hutton), who I am glad to see is in the Chamber. The petitioners argue for the bypass on the grounds of road safety, environmental improvement and economic interest.

The petition concludes:

The Petitioners therefore request that the House of Commons urge the Secretary of State for the Environment, Transport and the Regions to give priority to the building of the High-Low Newton By-Pass in the Strategic Roads Review.

To lie upon the Table.

Freemasons

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. McFall.]*

10.55 pm

Mr. Tony Baldry (Banbury): I am a freemason, as the House knows. My purpose in initiating this debate is not, however, to defend freemasons or freemasonry; with my knowledge of freemasonry, I hope rather that I can assist the House and persuade the Home Secretary—and, indeed, the Government as a whole—to reconsider their proposals on freemasons.

I fully accept that some people find freemasonry slightly ridiculous. That is a matter for them, but if I and thousands of other men choose to be ridiculous in private, that is surely a matter for us. On other matters, I regularly get down on my knees and pray to a trinitarian God. I proclaim a creed that asserts baptism for the remission of sins and life after death. Some people believe in transubstantiation—that the bread and wine actually turn into the body and blood of our Lord. Again, I suspect some people find some or all of those ideas ridiculous. Whether I believe them is a matter for me. The state has no business seeking to build windows into men's souls.

Sadly, there are those who, for some reason, regard freemasons not only as ridiculous, but as sinister. Bernard Levin observed in an article in *The Times*:

"Freemasonry hysteria . . . is paralleled to the same principles as those of anti-Semitism, and indeed it has often been to a very considerable extent a stalking-horse for the more ancient vileness. It could hardly be otherwise; attacks on suspect Jewry have almost always been inextricably entwined with anti freemasonry. Hitler lumped them together without distinction of any kind."

Thousands of freemasons from Germany, Vichy France and Nazi-occupied Europe were killed in the gas chambers. The Home Secretary should stop to consider the justifiable outcry that there would be if Jewish judges, magistrates or police officers had to declare themselves as such.

What justification can there be for the state to invade the privacy of those who happen to be freemasons? In the Home Secretary's press release, only one justification is given, which is

"Membership of secret societies such as freemasonry".

That reflects some very confused thinking on the Home Secretary's part. Freemasonry may be private, but it is not secret: our meeting places, our charitable work and our leaders are well known.

There is no difference between freemasons' lodges and hundreds of other unincorporated associations and clubs throughout the country. To put that to the test, I recently wrote to a random 50 or so London clubs, to golf clubs throughout the country, and to organisations such as the MCC, asking for their membership lists or access to those lists.

I made it clear in my letter that my inquiry was not commercial or frivolous and was based on a matter of genuine public interest. With one exception, all those who responded said that their membership lists were private and not open to public scrutiny. Some, such as the MCC, did not even reply.

Liphook golf club said:

"I am afraid that we are not empowered to make this information available to you."

Sunningdale golf club said:

"I regret I am unable to provide you with a list of the names and addresses of Members which is regarded as confidential."

The Honourable Company of Edinburgh Golfers said that it was

"a private Members golf club . . . the names and addresses of the Members of this Club are not for public examination."

Wentworth golf club said:

"it is our policy not to disclose our members' details."

The Royal St. George's golf club said that it was

"a Private Members Club and, as such, it protects its privacy and that of those, who make up the Membership."

The Royal Birkdale golf club said:

"As a private members club, the names and addresses of members are not open for public inspection."

Every other golf club replied in similar terms.

Of the London clubs, the Groucho club said:

"I am afraid that our membership list is confidential so I am unable to furnish you with the details you require."

St. James's club said:

"the list is private and under no circumstances would I divulge our list to any person requiring information on our Members."

Brooks's said:

"I am unable to assist you, as the list of members' names and addresses is not open for public inspection."

The Garrick club said:

"I regret that our Membership List is not available for inspection."

The Reform club said:

"I am afraid we regard the list of members of the Reform Club as confidential to members. Accordingly the list is not open for public inspection nor am I able to make it available to you."

The Royal Automobile club said:

"I advise that our membership file is not available for public inspection."

I also wrote to the constituency Labour parties of Home Office Ministers, asking whether they made their lists of members available for public scrutiny. That prompted a telephone call from Labour party headquarters at Millbank, asking why I had made such an inquiry. I explained the reasons but, not surprisingly, no membership lists were forthcoming.

If the Home Secretary considers it reasonable for people to keep private their membership of the Labour party, of their local golf club or of any other club that they might join—I hazard a guess that more High Court judges are members of the Garrick than of the grand lodge—why is such privacy to be denied to freemasons alone? What is it about freemasons that he considers so unique that they must be treated so differently?

Why is the privacy allowed to every other club to be denied to freemasons? Why have the proposals drawn no murmur of doubt from organisations such as the National Council for Civil Liberties? Is it, as Bernard Levin further observed, that the

"hysteria that can be summoned up about freemasonry comes close to genuine lunacy"?

The Home Secretary's press release is all that we have to enable us to understand his thinking, because he has given no other reasons than those that scantily appear there, but it might be said that freemasons are different because we take an oath.

If that is the reason, I hope that the Home Secretary will have read and noted the conclusion of the Home Affairs Select Committee which, in the previous Parliament, conducted an inquiry into freemasonry and concluded:

"when the oaths are read in context there is nothing in them that would appear sinister and nothing in the evidence that we have heard that would show a conflict between the oath taken by a judge or policeman and that taken by a freemason . . . we do not believe that there is anything sinister about freemasonry . . . and are confident that freemasonry itself does not encourage malpractice."

Indeed, Parliament has been here before, and not found anything sinister about freemasons and their activities—quite the opposite. In the reign of George III, there was genuine concern about Jacobite plots to overthrow the Crown, and the Unlawful Societies Act 1799 was passed making it unlawful to take certain oaths. Indeed, the Tolpuddle martyrs were deported not because they were trade unionists but because they offended against that legislation. However, freemasons were specifically exempted from the terms of the Act on the express provision that the secretary of each lodge each year gave the meeting place, names and occupations of every lodge member to the clerk to the local justices.

That legislation stayed in place and was observed until 1967, when it was repealed by the Labour Government of the time—on the recommendation, as I understand it, of the Law Commission—as unnecessary and obsolete, in the Criminal Law Act 1967. Has anything happened since 1967 that Parliament should now consider that there has been some public mischief concerning freemasons that needs to be dealt with? If so, doubtless the Home Secretary will tell the House about it.

It may be helpful to observe that, in the past 12 years, there have been 34 ombudsman investigations into allegations of masonic influence in local authority matters, and that in only one case was there any suggestion of cause for concern. By contrast, during the same period, the ombudsman found local authorities guilty of discriminating against freemasons in at least two cases.

In 1988, in High Peak, a local lodge applied to the council for a grant for renovating buildings and was refused. The lodge suggested an anti-masonic bias, the ombudsman investigated and found the council guilty of maladministration and prejudice against freemasonry. In April 1988, freemasons applied to Ogwr council in Wales for a grant to improve a masonic building in Maesteg, and were refused. The council were then forced by the ombudsman to give the freemasons £3,500, and were found guilty of maladministration and prejudice against freemasons.

If there is some supposed malpractice that the ombudsman and the press collectively seem to have missed, perhaps the Home Secretary could assist the House by arranging for a parliamentary question to be answered giving the information, or by placing in the Library a list of instances in which he believes that any judge, magistrate, police officer, prison officer or member of the Crown Prosecution Service has acted improperly in

[Mr. Tony Baldry]

any way as a consequence of being a freemason. I venture to suggest that such a list would be extremely short; indeed, perhaps it would not exist at all.

The Home Secretary has asked the grand lodge to consider introducing a voluntary register. He has gone about that in a somewhat strange way. No attempt was made to consult freemasons before he issued his press release, and I understand that there was not even the courtesy of a letter when it was issued. No attempt has been made by officials to discuss practical matters with freemasons since the press release was issued, and only when the grand lodge wrote to the Home Secretary in March did the right hon. Gentleman start to address freemasons' concerns about his proposals.

I do not seek to speak on behalf of the grand lodge or of freemasons collectively. I should simply like to draw the House's attention to what the grand secretary said to the Home Secretary in his letter of 16 March. He wrote:

"Since time immemorial, men . . . in this country have enjoyed a right to privacy and a right to freedom of association. You are apparently seeking to create different categories of citizen: those who are Freemasons and those who are not. It seems inconceivable that whilst a man can gain the protection of the law because of prejudice on grounds of race, creed or colour, he is to be singled out because he pursues the membership of a lawful society in his free time. If this is to happen, England will be discriminating against Freemasons in a way not seen since the days of Vichy France or Nazi Germany.

So that you can know how generally offensive such a measure would be, Freemasonry . . . includes some 350,000 men of all political persuasions and none; and of all respectable religious faiths . . . Freemasonry is not and has never been a secret society, regardless of what those who hold to the conspiracy theory of society may pretend. Our Year Book, which includes a statement of our aims and principles, and names of Masonic leaders and meeting places, is on sale to the public, and spokesmen are readily available to meet the media, Select Committees and other interested bodies."

I do not believe that freemasons are minded to do that which is not demanded, or expected, of any other club or society in the land and I have to tell Home Office Ministers that, if the Home Secretary wishes to take his proposals forward, he will have to introduce primary legislation. I hope that the Government collectively will reconsider all those matters before taking such a step and that the Cabinet Legislative Committee will give them serious collective thought as well.

I also have to tell the Home Secretary that if he does introduce such legislation, it will be opposed. Any such Bill will be opposed by hon. Members of all political persuasions as being contrary to natural justice and an unwarranted infringement of civil liberties. I do not intend even to start to comment on the practical difficulties of any statutory register. Are police officers who are freemasons to have their addresses published? Who will have access to such a register and on what terms will they have access? Where will the register be held? The practical difficulties are legion and will have to be examined closely if the Government introduce such a Bill.

I hope that the Home Secretary is not insensitive to civil liberties or to the freedoms of individual citizens. I fear that some prejudice against freemasons has clouded his judgment and the collective judgment of the Government. With such a majority, the Government can drive through Parliament any Bill they choose, and freemasons, being lawful citizens, would comply with such a Bill, if it were to become an Act, and with the wishes of Parliament. However, such a law would not be a happy piece of legislation on the statute book by which to remember the Government. I hope that Ministers, who may have been tempted simply to take forward a recommendation of a previous Select Committee, but who have not given the basic principles the necessary careful consideration and thought, will now reconsider the proposals.

I remind the Home Secretary that, in the past year alone, freemasons gave £16 million to charity—money which was raised freely and voluntarily from among freemasons. Most reasonable men and women in the country will recognise such giving and, however eccentric they think freemasons are, will, after considering the issues carefully, not support legislation that discriminates against one group of citizens in the way the Home Secretary proposes; for to discriminate against one group of citizens in society is to discriminate against all citizens.

11.13 pm

The Minister of State, Home Office (Mr. Alun Michael): The hon. Member for Banbury (Mr. Baldry) has made his case in a reasonable and measured manner, but I regret his stated intention, with others, to obstruct progress on a sensible and balanced proposal by my right hon. Friend the Home Secretary, supported by the Government, in respect of an important matter of concern.

I shall deal first with two specific points. The hon. Gentleman suggested that my right hon. Friend the Home Secretary has not published his reasons for establishing a freemasons' register other than through a press release. That is not the case. On 17 February, the day of the press release, my right hon. Friend appeared before the Select Committee on Home Affairs and gave evidence on his reasons for establishing the register. That sitting was public and it was reported in *Hansard*.

Secondly, it is worth pointing out to the hon. Gentleman that the grand lodge, like my right hon. Friend the Home Secretary, knew full well what the Select Committee on Home Affairs had recommended and was aware of the Government's response. My right hon. Friend wrote fully to Commander Higham on 27 March.

I welcome the fact that the hon. Gentleman declares his interest as a freemason. I welcome also the fact that others are open about exercising the option that the hon. Gentleman described as choosing to be ridiculous in private. Perhaps that applies more widely. One of the great freedoms open to humanity is to look and to be ridiculous. Indeed, it is what many of us do best, but that is not the issue which leads to the approach that the Government have adopted.

It is not only my right hon. Friend the Secretary of State who considers the issue important. The matter has been the subject of massive concern and debate over many years. The Government decided to adopt a measured and moderate response after careful consideration of the report of the Select Committee on Home Affairs. I therefore welcome the opportunity to set out the Government's policy in relation to the declaration and registration of membership of the freemasons by those employed or appointed within the criminal justice system, or who seek such employment or appointment.

It is worth underlining the fact that it is the criminal justice system that we are talking about, which is one of the bastions of a free society and of our democratic processes. It is extremely important that it should be free from bias and for that to be seen to be the case.

Before getting into the detail of the arrangements, I should make it clear, as my right hon. Friend the Home Secretary has said, that the Government do not see a problem with freemasonry itself. The Government are concerned solely with dealing fairly and effectively with the legitimate public expectation that the rights and freedoms of all are properly observed and safeguarded in any dealings with the various parts of the criminal justice system.

I think that that is apparent from what my right hon. Friend said to the Select Committee on Home Affairs on 17 February:

"There is no suggestion whatever that if people want to join the freemasons they should be stopped from doing so. I do not find anything about the freemasons offensive."

Our interest is concerned entirely with the public's expectations regarding the fairness and integrity of the criminal justice system. It is an interest which is clearly shared by the Select Committee on Home Affairs—that is made clear in its third report for 1996–97—and, among others, by the Association of Chief Police Officers.

The Government announced on 17 February that all new appointments, whether full-time or part-time posts, to the judiciary, the police, the legally qualified staff of the Crown Prosecution Service and the probation and prison services will have to declare their membership of the freemasons as a condition of service. Any later admission to the freemasons after taking up post will also be declarable.

I shall move on to how the Government can best resolve the issue of openness and disclosure about membership of the freemasons in relation to those already serving in the relevant occupations and professions within the criminal justice system. The House will be aware that the view of the Select Committee on Home Affairs, shared by the Government, is that the best solution is for freemasonry itself to publicise the information. However, we know from various comments, which have been reinforced by the hon. Gentleman this evening, that that will not happen. That is regrettable. Consequently, the Government have decided that the various parts of the criminal justice system should open registers and invite serving office holders and employees to declare whether or not they are members of the freemasons.

The Government will consult on where the registers should be available, but, in any event, the Government believe that they should be publicly available. This entirely voluntary arrangement will be reviewed in the context of the need for legislation, having regard to the extent of compliance with the voluntary registers, once they are established. I invite the hon. Gentleman and others to reconsider the view that they would push the Government to introduce legislation. That seemed to be the implication of the hon. Gentleman's remarks.

Since the Government announcement on 17 February, we have had discussions with two of the groups that were not mentioned in the original statement: coroners clerks and justices clerks, both of which will be included in the terms of the declaration and registration policy. The position in relation to members of police authorities is also to be considered.

Concerns have been expressed that the declaration and registration policy might be incompatible with the terms of the European convention on human rights, in particular article 8 which concerns respect for private and family life. There is no conflict between the ECHR's provisions and our policy in respect of those working in the criminal justice system who are freemasons.

The two key points are that our policy has nothing to do with interfering in an individual's choice about the freemasons, and that the provisions of the ECHR concerning an individual's rights and freedoms are expressed within the corresponding balance of the freedoms and rights of others. It is important to reinforce my point that the Government are concerned about maintaining and improving openness and transparency within the criminal justice system. Given that membership of the freemasons can raise suspicions of a lack of impartiality or objectivity, those matters would be most effectively dealt with if the public had access to the facts.

The hon. Gentleman mentioned a previous arrangement whereby freemasons registered with the local clerk of the peace. I do not pretend to be an expert in the law, but my understanding is that the provisions of the Unlawful Societies Act 1799, inter alia, required the secretary of each freemasonry lodge to send an annual list of members to the local clerk of the peace, as the hon. Gentleman said. It is difficult to know what purpose the lists served, but they were not made public and were solely for the use of the magistracy. The arrangements were repealed by the Criminal Law Act 1967.

I am not convinced that the legislation was observed to the letter of the law up to 1967. Perhaps the hon. Gentleman can tell me whether lists were dispatched annually. I am also unsure of the purpose of the system. It has been suggested to me that fear of revolutionary activity following the French revolution 10 years earlier led to the passage of such legislation, which would mean that the image of the freemasons in 1799 was different from their image this century.

Such an arrangement would not meet public expectations or Government policy, primarily because we believe that the register should be publicly available. Our policy in relation to declaration and registration of membership of the freemasons, as I hope that I have clearly explained, is entirely concerned with the public's expectations regarding the fairness and integrity of the criminal justice system.

Those issues gave rise to concerns that were examined with great care by the Home Affairs Committee. It did not leap to conclusions or produce answers without having given them careful thought. Nor will we move forward without consulting on the way in which the requirements that the Home Secretary explained to the Home Affairs Committee in February would be carried through. We shall press on with the work needed to ensure that the implementation of the policy later this year is consistent and efficient across the component parts of the criminal justice system. I hope that the hon. Gentleman accepts the reasoned way in which the matter is being approached.

Question put and agreed to.

Adjourned accordingly at twenty-three minutes past Eleven o'clock.

House of Commons

Thursday 7 May 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

EDUCATION AND EMPLOYMENT

The Secretary of State was asked—

New Deal

1. **Sir Peter Emery** (East Devon): What steps he will take to increase the proportion of the resources available under the new deal scheme allocated to the long–term unemployed who are over 25 years old. [40033]

The Secretary of State for Education and Employment (Mr. David Blunkett): Last year we allocated £350 million from the windfall tax to be spent in the current financial year. On 17 March, my right hon. Friend the Chancellor of the Exchequer allocated a further £100 million to pilot 70,000 places from November, based on the same programme as the new deal for the under-25s.

Sir Peter Emery: I thank the right hon. Gentleman for that reply, but it is pure obfuscation. The unemployment figures show that 118,000 under-25s are unemployed compared with 216,000 elderly people who have been unemployed for over two years and 349,000 elderly people who have been unemployed for one year. However, under the new deal, about £2,600 million is being spent on the young unemployed but only £450 million over four years is being spent on the elderly. Somebody has to speak up for the elderly. It is much more difficult for them to get jobs than it is for younger people.

Mr. Blunkett: As someone who has reached the age of 50, I think that, by anybody's standards, it is pushing it a bit to call the over-25s elderly. What we are providing for the new deal is in addition to the money already being allocated for the Employment Service, training and enterprise and employment zone programmes, which this year will amount to £450 million. So, it is in addition to the resources being allocated for employment measures and adult training measures.

There is a grave misunderstanding among Conservative Members about the nature of the new deal. The new deal is different because it offers a gateway and provides the advice, counselling, education and social support necessary to ensure that when offers of work are in place, the young people have the necessary social and educational skills to take them up and hold on to them. It is an entirely different programme from simply providing make-work schemes, which is what young people have been used to in the past.

Dr. Norman A. Godman (Greenock and Inverclyde): May I say that I sincerely hope that the young and middle-aged long-term unemployed in my constituency benefit directly from the decision announced today by the Taiwanese electronics firm, Foxteq, to set up a plant in Renfrew—unfortunately not in Inverclyde—which will create 560 new jobs? Locate in Scotland and the Scottish Office deserve our commendation for that. That welcome news emphasises the need to train long-term unemployed people in information technology skills. That is particularly important when those long-term unemployed people were employed hitherto in traditional industries.

Mr. Blunkett: I welcome that news and I agree with my hon. Friend that it is a helpful and positive step forward. In addition to the resources I mentioned a moment ago, a further £100 million has been allocated for skills support, £40 million of which was specific to information technology and the development of centres of excellence across the country. If we can put those in place, we can meet the challenge of not merely the year ahead but of the new century, when people will require new skills, new investment and a different type of work environment.

Mr. Geoffrey Clifton–Brown (Cotswold): Does the Secretary of State agree that the main judgment on whether the new deal is a success is whether it reduces long-term unemployment for both the young and the old?

Mr. Blunkett: The new deal will be judged by the objectives we have set out, which means preparing people for the world of work, enabling them to take the jobs available and ensuring that they develop the social and educational skills to enable them to deal with a world of insecurity. The overall objective of the Department and the Government is to do exactly the reverse of what the previous Government achieved. We want to reduce the number of long-term unemployed, not to revel in it, which Conservative Members seem to do every time that we have Education and Employment questions.

Mr. Peter L. Pike (Burnley): My right hon. Friend and the Government are particularly concerned about providing good employment opportunities for the disabled. Will my right hon. Friend spell out what the new deal is doing to help unemployed disabled people get into good employment, not second-class jobs?

Mr. Blunkett: I am very pleased that we have been able to develop 12 new pilot programmes specifically for people with disabilities, from which they will be able to benefit, in addition to the new deal proposals. Disabled people are entitled to join those specific pilot programmes without undergoing a six-month wait. The programmes will enable us to discover what works best, and to build on the experience of the access to work programme. They will also ensure that work-based experience is tailored to the needs of the disabled person, and that support is available for both the employer and the employee, to ensure and secure long-term employment.

Jobseeker's Allowance

2. **Mr. Archy Kirkwood** (Roxburgh and Berwickshire): What representations he has received about operational difficulties in the administration of the jobseeker's allowance. [40034]

The Parliamentary Under-Secretary of State for Education and Employment (Mr. Alan Howarth): The Government have received a number of representations from individuals and organisations on a variety of jobseeker's allowance-related operational issues. We welcome comments from organisations, members of the public and staff.

Mr. Kirkwood: I pay tribute to front-line staff in both the Department for Education and Employment and the Benefits Agency who administer the jobseeker's allowance. Does the Minister accept that their job is made much more difficult by the split between data processing and collection—which is the responsibility of the Department for Education and Employment—and benefit payment, which is undertaken by the Benefits Agency? Does he agree that the split is inefficient, and makes the situation more difficult for both staff and customers? Will he give the House an undertaking that he will very carefully examine the matter, and not only listen to the pointy-heads in his own policy department, but talk to the people who pay the benefit about whether one Department or the other—I am agnostic about which—takes full responsibility for the benefit?

Mr. Howarth: I appreciate the hon. Gentleman's concern that the system should be as manageable as possible—above all for jobseekers, but also for the staff who serve them. I agree that the success that the staff of both the Benefits Agency and the Employment Service have made of jointly administering the JSA is a tribute to their commitment to public service. Ernst and Young has conducted an independent review and reported that, at local level, working relations between the Employment Service and the Benefits Agency are largely very good. There are procedures for the two agencies to resolve any operational difficulties that may arise locally. However, I certainly do not dismiss the hon. Gentleman's comments and will re-examine the matter afresh.

Student Fees

3. **Mr. Phil Willis** (Harrogate and Knaresborough): What plans he has to allow students attending English, Welsh and Northern Irish universities on approved undergraduate courses of more than three years' duration to be exempt from paying fees in the fourth year. [40035]

The Parliamentary Under-Secretary of State for Education and Employment (Dr. Kim Howells): Under our planned funding arrangements, financial support for students' fees will be dependent on income. Full-time undergraduates who come from lower-income families in England, Wales and Northern Ireland will be exempt from paying fees in the fourth year at any United Kingdom university.

Mr. Willis: I am grateful for that response. However, does the Minister agree that the Government's haste in requiring students to pay tuition fees from this year has caused a financial and bureaucratic nightmare for universities offering courses of more than three years' duration, which supply courses to 90,000 students? What justification can he give for exempting medical students in year five of a course, but not in year four, or for exempting from fees postgraduate certificate of education students who will work primarily in secondary education, but not students studying for a four-year honours degree?

What justification can there be for providing absolutely no fee exemption for students studying architecture on a six-year course? Is it not right that all students should be treated equitably?

Dr. Howells: No, I do not believe that it is. Moreover, the nightmare described by the hon. Gentleman has not yet been communicated to us. Not one university has told us that it is suffering from a bureaucratic nightmare. I suspect that the nightmare is entirely in the minds of Liberal Democrat Members.

Ms Sally Keeble (Northampton, North): As student fees have increased people's interest in university degrees, will my hon. Friend say whether there was any truth in the *Financial Times* article stating that the Government may change the criteria that colleges of higher education must meet to attain university status? Nene college, in my constituency, is extremely interested in getting university status and would like to know whether there has been any change in the Government's thinking on the matter.

Dr. Howells: No. It is a subject that we are looking at carefully. At present, we have no plans to change the way in which the criteria are judged and the title "university" is awarded to colleges.

Mr. Stephen Dorrell (Charnwood): In the nine months since the policy was announced last summer, has the Minister thought of a single reason of principle why students from England, Wales and Northern Ireland should be uniquely targeted to pay higher fees to Scottish universities than students from anywhere else in the European Union? Can he give me one single reason of principle to justify the Government's policy? In nine months, has the Minister been able to think of one?

Dr. Norman A. Godman (Greenock and Inverclyde): Remind him about the poll tax.

Dr. Howells: I could remind the right hon. Gentleman about the poll tax, but instead I shall attempt to answer his question. As he knows, education in Scotland is very different from that in England.

Mr. Geoffrey Clifton-Brown (Cotswold): Why?

Dr. Howells: I shall tell the hon. Gentleman why. If he does not know, perhaps he should try reading sometimes. Scottish students study for the equivalent of A-levels for one year in Scotland instead of for two years in England, Wales and Northern Ireland. We believe that Scottish universities should recognise that—many of them do—and allow students to join courses in the second year if they have the proper qualifications to do so.

Child Care

4. **Miss Anne Begg** (Aberdeen, South): What plans he has to involve employers in the development of the national child care strategy. [40036]

The Secretary of State for Education and Employment (Mr. David Blunkett): We very much agree that contributions from employers can make a substantial difference to the provision of child care. In two or three weeks' time we shall issue a Green Paper, which will be mirrored in Scotland, setting out the detail of our proposals, building on the announcements that have been made on expenditure over the next five years in respect of the British Isles and underpinning our commitment to a collaborative approach to providing affordable, high-quality child care in every neighbourhood in the United Kingdom.

Miss Begg: I thank my right hon. Friend for that reply. Last month, I visited a nursery in my constituency. As it is situated on the outskirts of a large industrial estate in Aberdeen, it depends for its clientele on the workers on that estate, particularly those who work for the oil companies. The people running the nursery felt that if only they could tap into the employers' good will and get some support from them, they could offer the child care that is so desperately needed by the work force at a much more affordable rate. I hope that my right hon. Friend will ensure that employers are aware that affordable child care not only benefits parents in that it allows them to return to work, but is good business as a vibrant business requires a happy work force in which employees feel that their children are being well cared for.

Mr. Blunkett: I agree entirely. Helping to balance family and work life contributes to our economy and the well-being of companies. The work that has been done by the Bank of Ireland, for example, has illustrated graphically the increased productivity, the retention of staff and the improvement in morale that can be achieved. I congratulate that company and public service organisations such as the Thanet healthcare NHS trust, which has made a specific effort to provide flexible, out-of-hours and daytime child care covering holidays and evenings in a way that shows great imagination and has helped to improve the quality and delivery of the service that it provides to the public.

Mr. Don Foster (Bath): May I welcome the Government's commitment to integrating education and child care? I welcome many of their new initiatives, such as out-of-school clubs, summer schools and improvements in the child care disregard. Does the Secretary of State agree, however, that the Government will never be considered to be a green Government just by the constant recycling of initiatives, claiming each time that they are new? In particular, does he accept that his announcement yesterday, which he claimed was a new one, of an additional £600 million, was nothing of the sort? The local education authorities already knew about the money and had already bid for it. More importantly, does he accept that the Under-Secretary of State made an identical announcement on 8 April?

Mr. Blunkett: I thought that Liberal Democrats welcoming all our policies was too good to be true on local election day. I am not sure whether the hon. Gentleman is for or against the £6 million. It is £6 million, not £600 million. I wish it were £600 million; I would have announced it three times rather than twice. The £500,000 specifically to save the Pre-School Learning Alliance from closures was entirely new money, extremely welcomed by it and will enable it to continue its excellent work at local level.

Mr. Derek Foster (Bishop Auckland): May I welcome my right hon. Friend's trail-blazing child care policies? Will he confirm that his departmental research shows that 90 per cent. of employers make no provision whatever for child care assistance? Are we sure that Departments and agencies are that good in this respect? Will he make certain that Departments and agencies become model employers and give a lead in policies on child care?

Mr. Blunkett: The analysis to which my right hon. Friend refers is correct. There is clearly a long way to go. Part of the development of the consultation on the proposed Green Paper will be in engaging all stakeholders and partners in ensuring that they make their contribution. I agree that Departments and agencies have a key role to play. From discussion with Cabinet colleagues, I know that forthcoming announcements will illustrate very positive departmental moves in just that direction.

Mr. Roy Beggs (East Antrim): Is the Secretary of State aware that many people who are employed in pre-school care of young children are now required to gain qualifications in order to be so employed? Very great financial burdens will be placed on pre-school groups, which can just about manage to pay for staff, if they have to fund from their own resources courses to enable staff to become qualified. Will he look at that difficulty and endeavour to grant aid for qualifications?

Mr. Blunkett: I am certainly very happy to look at that and to talk to my right hon. Friend the Chancellor about the costs of establishing a framework in which training is a crucial part of ensuring that resources—available through, for instance, the working families tax credit from next year—can be applied to high-quality child care, and that the £1.2 million, for example, that my Department gives to the Pre-School Learning Alliance specifically for training enables it to provide accreditation and a foothold on what is becoming known as a climbing frame of qualifications, on which those who begin as volunteers develop child care provision and facilities that allow them to progress to more formalised training.

Care Leavers

5. **Mr. Hilton Dawson** (Lancaster and Wyre): If he will make a statement on his proposals to address the needs of care leavers for access to further and higher education. [40037]

The Parliamentary Under-Secretary of State for Education and Employment (Dr. Kim Howells): We have set out comprehensive plans to widen participation in further and higher education, and care leavers will benefit from those, as well as from our drive to raise standards.

Mr. Dawson: I thank my hon. Friend for that response. Does he agree that the fact that no more than 1 per cent.

of young people who leave care go into higher education is a disgrace that should shame us all and make us determined to take action? Will he discuss with ministerial colleagues the importance of amending section 24 of the Children Act 1989 to ensure that local authorities have a duty to provide financial assistance to young people who leave care, up to their 25th birthday?

Dr. Howells: My hon. Friend raises an extremely important subject. The House should know, if it does not already, that 75 per cent. of care leavers have no academic qualifications of any kind, 50 per cent. of young people leaving care after reaching their 16th birthday are unemployed, and no less than 23 per cent. of adult prisoners and 38 per cent. of young prisoners have been in care. Those are extremely shocking figures. We need to examine urgently ways to ensure that education, employment and training are provided much more effectively.

We have set up a social exclusion unit and a national forum, which includes representatives of leading statutory and voluntary agencies, to examine possible initiatives such as the issuing of statutory guidance to authorities and schools, providing better information on and setting targets for educational outcomes, promoting advocacy schemes and focusing the work of careers services more sharply to consider the futures and careers of those very unfortunate young people.

New Deal

6. **Mr. John Bercow** (Buckingham): If he will make a statement on the cost of the new deal in 1998–99. [40038]

The Secretary of State for Education and Employment (Mr. David Blunkett): The new deal for the young unemployed and adult long-term unemployed men and women is people-focused, so the resources will follow the individual. At the end of this year we will be aware of how many people have been eligible and how many have taken up the guaranteed places that are available—hence we will also know the exact resources that will be spent in the current financial year.

Mr. Bercow: Further to the question from my right hon. Friend the Member for East Devon (Sir P. Emery) and the reply by the Secretary of State, can the right hon. Gentleman explain the bizarre situation in which the 216,000 long-term unemployed people over the age of 25 will receive almost five times less of the new deal money in 1998-99 than the young unemployed, even though there are nearly 100,000 more of them? Does not that show that the Minister for School Standards is not the only Minister who cannot do his sums, and that the problem is endemic throughout the Department?

Mr. Blunkett: The statistics that the hon. Gentleman has just paraded show just how necessary our numeracy task force is for the Opposition as well. At the risk of repetition I might add that I explained in words of one syllable to his right hon. Friend exactly what the situation was. I explained that an additional £450 million was available from mainstream programmes and that it was being applied to older men and women. In the end, the only way to stop long-term adult unemployment is to stop long-term unemployment among those under 25.

Mr. Jim Murphy (Eastwood): When my right hon. Friend publishes the first annual report on the new deal, will he, as well as publishing the figures on this Government's new deal, set out clearly the facts and figures detailing the Tory's old deal? That old deal promised hopelessness, joblessness, the consequences of crime and much else besides. The annual report must not simply show cold statistics; it must help people to realise the changes that have occurred in real people's lives.

Mr. Blunkett: What a wonderful idea. I thank my hon. Friend for it.

Music Tuition

7. **Mr. David Heath** (Somerton and Frome): What plans he has to increase the availability of musical instrument tuition in local education authority schools. [40039]

The Parliamentary Under-Secretary of State for Education and Employment (Ms Estelle Morris): We recognise the important contribution which musical instrument tuition can make to every child's education. Our forthcoming consultation paper on local management of schools will set out our proposals to ensure that such tuition is funded properly.

Mr. Heath: I am most grateful for that answer, if a little puzzled by it. When, on 16 February, I asked the Secretary of State for Culture, Media and Sport the very same question, he said that intensive discussions between the two Departments were under way to come up with specific proposals on musical instrument tuition, and that those proposals would be announced within a few weeks. I do not know how intensive the discussions are, but they are certainly protracted. Can the hon. Lady tell me when the proposals will be produced and we shall be able to restore some of the tuition that has been lost in recent years?

Ms Morris: The hon. Gentleman is right: my right hon. Friend is indeed looking into how we can improve music tuition in schools. We are talking to him about that to develop proposals. It is for him to say when he will make an announcement to the House.

Mr. Eric Clarke (Midlothian): As a brass band lover, may I ask whether the Minister will include the instruments played by brass and silver bands in this particular policy? The fact is that that culture in mining and industrial areas is dying out. I hope that Ministers will encourage it to remain.

Ms Morris: My hon. Friend is right. It is crucial to retain that sort of activity in schools. One of the great joys of visiting schools throughout the country is seeing the high standard of performance of some of the orchestras and bands there and in local authority areas. I share my hon. Friend's pleasure in listening to brass bands; they should continue; under this Government they will thrive.

Mr. Nicholas Soames (Mid-Sussex): Does the hon. Lady agree that, although music education provision is

patchy across the country, the standard of youth music is extraordinarily high, for which teachers and pupils deserve great credit? Will she consider implementing a programme under which one school in each local authority is designated a centre of excellence for music tuition? The skills generated at such an establishment could then permeate the whole area.

Ms Morris: I share the hon. Gentleman's pleasure in the excellent music that we hear in schools. His idea is interesting. On specialist schools, he will know that the Government are considering the development of centres of excellence, which will benefit pupils not only at the school, but at feeder and neighbouring schools, as well as in the wider community. I shall certainly reflect on his suggestion.

Multimedia Laptops

8. **Mrs. Betty Williams** (Conwy): What plans he has to ensure teachers and head teachers have access to multimedia laptops. [40040]

The Minister for School Standards (Mr. Stephen Byers): In March, the Government allocated £23 million for the purchase of 9,500 multimedia portable computers for the use of head teachers and senior teachers in maintained schools. That means that about 25 per cent. of schools in England will have teachers who have received laptops from the initiative.

Mrs. Williams: I thank my hon. Friend for that reply. Does he agree that effective use of information and communications technology will help to raise standards in literacy and numeracy? Can he say what the figures are for Wales?

Mr. Byers: I am pleased to say that a similar initiative is being developed by the Welsh Office. The real challenge for the Government is to ensure that we can harness the benefits of new technology to support the basics of literacy and numeracy, which is why we are developing our national literacy strategy alongside our national grid for learning, so that the two initiatives complement each other and bridges can be built between them. In doing that, we believe that we can not only give young people a grounding in the basics, but allow them to embrace new technology.

Dr. Julian Lewis (New Forest, East): Why should it be necessary for the Secretary of State to interfere in such matters? Could not any halfway competent head sort out for himself whether he wants to spend some of his budget on a laptop computer? Is not the real problem that the Government have insisted on taking full control over budgets away from head teachers, so that busybody Ministers have constantly to nanny and to interfere, when they should properly be dealing with policy?

Mr. Byers: This is additional money that has been targeted for a specific purpose—we are confident that it will raise standards in schools. That represents a totally different approach from that adopted by the previous Government, who stood to one side and ignored the needs of children in our schools. We shall not do that. We do not accept the criticism that we are creating a nanny state; in raising standards in schools, we are going with the grain of public and parental opinion, which is why our education policies have a huge approval rating.

Skill Shortages

9. **Mr. Barry Jones** (Alyn and Deeside): What steps the Government are taking to tackle skill shortages. [40041]

10. **Dr. Alan Whitehead** (Southampton, Test): What steps the Government are taking to tackle skill shortages. [40042]

The Secretary of State for Education and Employment (Mr. David Blunkett): We have established a national skills task force, incorporating all sides of industry and commerce and large and small enterprises. It will report in a couple of months on its findings from the seminars that it has held and its work with industry across the country. We shall have at our disposal the £100 million that the Chancellor allocated on 17 March specifically to tackle the skills needs of Britain in the years to come, and we shall build on the 55 national training organisations that have been accredited in the past 12 months.

Mr. Jones: Will my right hon. Friend ensure that the task force finds sufficient skilled labour for Britain's healthy aerospace industry? Is he aware that in my constituency British Aerospace casts its net far and wide to find skilled labour, while my unemployed, unskilled constituents find it hard to find real jobs? Will he ensure that the task force gets a grip on that wretched situation?

Mr. Blunkett: Matching the needs of the economy with people who have the talent and the will to be part of a labour force of high earners and high added value—an economy of the 21st century to match the best in the world—is a critical element in tackling the skills shortage and ensuring that we can have sustainable growth with low inflation.

Dr. Whitehead: I thank my right hon. Friend for his answer and join him in welcoming the establishment of the skills task force, which will give us the prospect of a genuine national skills strategy—in sharp contrast, rhetorical flourishes aside, with the previous Government's record. Will he ensure that the task force looks to the long term and tackles the immediate problems? How will it work alongside existing agencies such as training and enterprise councils?

Mr. Blunkett: Agencies such as training and enterprise councils are represented and the chairman of the task force, Chris Humphries, who has great experience in the field, will from July be the head of the Association of British Chambers of Commerce. The skills task force has already identified the fact that there is considerable need for information technology skills.

If Opposition Members will forgive me for saying so, the notion that equipping the nation with the information skills of the future is being a nanny state is the kind of thinking that got us into the mess that we got into in the 1980s. It ill becomes those who have the greatest experience of nannies to deny it to anyone else.

Miss Anne McIntosh (Vale of York): How have the skills shortages been perceived? Will there be a full, continuing audit of them?

Mr. Blunkett: The 55 national training organisations and the specific focus of industries working to develop a profile of their needs and to transmit it to both further education and private providers will be a crucial element in ensuring that we get it right. It is a bottom-up approach, with industry, commerce and services determining what is required, and the public services and private enterprise responding positively to those needs.

Student Funding

11. **Mr. Huw Edwards** (Monmouth): What proposals he has to review the funding of students who attend further education establishments in England but reside in Wales. [40043]

The Parliamentary Under-Secretary of State for Education and Employment (Dr. Kim Howells): My right hon. Friend the Secretary of State has no such plans.

Mr. Edwards: May I convey to my hon. Friend the concern felt in further education colleges about funding for students who come from across the border? The Royal Forest of Dean college is close to my constituency, and the principal is concerned that she is not able to advertise her courses in Monmouth. If young people are to take full advantage of the Government's commitment to lifelong learning, they need full access to information about all courses in local colleges, be they in England or in Wales.

Mr. John Bercow (Buckingham): That was off message.

Dr. Howells: Not at all; my hon. Friend is not off message. If a student from Wales wants to study in England, the English Further Education Funding Council will fund that student. It does not have a duty to do so, but it is a matter of policy that it always does. There is no prohibition on advertising by English further education colleges in Wales, especially ones that traditionally have cross-border catchment areas, as does the Royal Forest of Dean college. If my hon. Friend has evidence that the principal of that college has been denied the opportunity to advertise its attractions in and around Monmouth, I shall certainly look into the matter and write to him.

University Assessment

12. **Mr. Barry Sheerman** (Huddersfield): What plans he has to broaden the scope of the assessment exercises for universities for research and teaching to other fields. [40044]

The Parliamentary Under-Secretary of State for Education and Employment (Dr. Kim Howells): Annual grants for universities and colleges approach £1 billion for research and exceed £2.5 billion for teaching. My right hon. Friend the Secretary of State believes that, in the interests of accountability, the distribution of such large sums should take account of assessments of quality. The Government value other university activities and are, with the Higher Education Funding Council for England, considering ways in which these can be evaluated and supported.

Mr. Sheerman: Is my hon. Friend aware that many universities want to help the Government to build a knowledge-based information society that is an enterprise society in which jobs and wealth will be created into the next century? However, they feel inhibited because—although there are teaching and research assessment exercises—no matter how much work a university puts into enterprise and helping businesses internationally, nationally and locally, little credit is given to them. Many universities want an enterprise assessment exercise so that they can get credit and take part in useful partnerships.

Dr. Howells: I have a great deal of sympathy with my hon. Friend's suggestion. Universities are tremendous resources for the communities they serve. They are too often underutilised in terms of what they can provide for local businesses. I would be interested in any suggestion or scheme that encourages the link between universities and the local economy and in studying how they can have a symbiotic relationship with each other to increase competitiveness in their regions and in the universities.

Mr. David Willetts (Havant): The Minister will be aware that many people in higher education are worried that research and teaching will be hit next year by the Chancellor's Budget increase in employers' national insurance contributions. If the Minister really wants to help them, he could give an assurance that they will be fully compensated for higher national insurance contributions next year. Can he give that assurance?

Dr. Howells: I can assure the hon. Gentleman that we are discussing such matters with the Treasury. We will ensure that, in future, university funding does not suffer as it has over the past 18 years.

Mr. Rhodri Morgan (Cardiff, West): Will the Minister change one of the more ludicrous aspects of the research assessment exercises in universities? If a university manages to recruit a star lecturer or professor from another university, all research previously published at his or her old university is included in the research assessment exercise, to the credit of the new university. It is as though a football club that paid a transfer fee for a centre forward also received the goals that that centre forward had scored in the previous season, which would be ludicrous. What will the Minister do to change that absurd inheritance from the mob on the Opposition Benches?

Dr. Howells: My hon. Friend's point is valid. It is crazy that people come trailing clouds of glory that often evaporate quickly if they do not find themselves in a

suitable working environment. The research assessment exercise is under review, and the issue that my hon. Friend raises will be a main focus of study.

Education Action Zones

13. **Mr. Stephen Timms** (East Ham): If he will make a statement on progress with his education action zone initiative. [40045]

The Minister for School Standards (Mr. Stephen Byers): We have received 60 applications to become education action zones. My right hon. Friend the Secretary of State expects to announce 25 successful candidates in June, of which 12 will start in September, and 13 in January 1999.

Mr. Timms: Has my hon. Friend had an opportunity to study the bid submitted by the London borough of Newham for Eastleigh school and its feeder primaries in the south-west of the borough? If so, has he noticed the high level of private sector support for that bid? We have £250,000 from East London Partnerships, an organisation wholly funded by the private sector, and substantial contributions amounting to more than £1 million in cash and kind for the first year of the programme from leading individual private sector firms including BT, Bull Information Systems, IBM, Arthur Andersen and Docklands Light Railway.

Does my hon. Friend agree that the bid's success in attracting such a high level of support shows the huge potential of the Government's partnership approach to education? Will he bear firmly in mind the strength of that bid as he adjudicates between it and the other 59 bids over the next six weeks? May I draw it to his attention that the Newham bid is ready and eager to roll from September, and would not have to wait until January?

Mr. Byers: The point has been taken, but Newham is one of a number of bids that have in an exciting way motivated and enthused not only local education authorities but the private sector to become involved. I believe that it will prove to be one of the most exciting initiatives on which the Government have embarked and will provide the opportunity to target resources from the private sector, central Government and LEAs. There will be one clear objective—to raise standards in schools and areas where there is underperformance and underachievement. It is an exciting initiative and I greatly welcome the enthusiasm with which people throughout the country have responded to it.

Mr. Nick St. Aubyn (Guildford): I know that the Minister is aware that there is a bid for an education action zone in a deprived part of my constituency; I am sure that his Department will give equal consideration to it. Is he aware that heads of schools in bid areas have heard informally that his Department may use education action zones to try out the new ideas for four-term years or reduced status for head teachers? Will he give an absolute assurance that education action zones will not become laboratories for the latest fads and fashions emanating from his Department?

Mr. Byers: Education action zones will build on best practice and ensure that in areas such as Surrey, standards can be raised. The hon. Gentleman should address some of his comments to Surrey county council, which has had a 5.5 per cent. increase in its education standard spending assessment but has passed on only 3 per cent. of it to its schools. If the council was serious about raising standards in its schools it would have made a substantial contribution by passing on to its schools the money given by the Government.

Mr. Vernon Coaker (Gedling): Will it be possible to extend the concept of education action zones as quickly as possible to other areas of the country, as the initiative is designed to tackle the incredible levels of underachievement in many of the most difficult areas of the country? Our children deserve much better. Can my hon. Friend confirm that he will as speedily as possible implement the existing scheme and extend it as widely as possible?

Mr. Byers: My right hon. Friend the Secretary of State plans 25 action zones in the coming school year. We shall want to reflect on their success, especially of the first 12, which will be established in September. We are confident that they will be successful, so we shall want to expand the programme. We shall need to take a little time to see exactly what has been successful so that we can learn from the best and ensure that we can extend the benefits of the education action zone initiative to all our schools, not just the initial 25.

Mr. Stephen Dorrell (Charnwood): Does the Minister accept that many of those who welcomed the Government's ideas for education action zones and thought that they might represent some of the first tangible evidence of what Ministers meant when they talked about that elusive concept of the third way are now increasingly concerned that the Minister's third way for schools is turning into a cul de sac? Education action zones were presented as an alternative to local education authority management of schools. Professor Barber even speculated publicly that they might lead to schools being managed by Procter and Gamble. Now that the applications are in, is it not clear that the truth is significantly different? Can the Minister confirm that every one of the 60 applications that he has received were led by the LEA? Can he explain to the House what price the third way now?

Mr. Byers: It would be inappropriate for me to give details of the 60 applications, but it is not true to say that all 60 are led by LEAs. There is a good mix of applications and the Government will be looking for strong applications. We shall not adopt a position based on dogma. We shall look at what is best and what will work in practice, putting the interests of children first. We believe that education action zones might show the way forward for the future and, by doing that, we shall ensure that we can provide the best quality education for all our children, not just a few.

Disabled People

14. **Dr. Phyllis Starkey** (Milton Keynes, South-West): What progress is being made through the new deal to assist the disabled. [40046]

The Parliamentary Under-Secretary of State for Education and Employment (Mr. Alan Howarth): Young disabled people aged 18 to 24 in receipt of jobseeker's allowance are benefiting from opportunities for early access and the personal adviser service in the new deal for unemployed young people. The first contracts for projects in the new deal for disabled people will be awarded this month.

Dr. Starkey: I welcome what the Government are doing to help disabled people into employment, but I should like to voice concerns about a specific group, the mentally ill, that have been raised with me by Milton Keynes MIND, which represents and works for mentally ill people in my constituency.

My hon. Friend will know that 83 per cent. of people of working age with mental illness are economically inactive. They face particular problems getting into work because of the recurrent nature of mental illness: periods of health and ability to work are interspersed with recurrent episodes of ill health. Is the system being designed with sufficient flexibility to help such people get back into employment in the long term?

Mr. Howarth: I am grateful to my hon. Friend for raising this issue. I know of the imaginative support she gives to Milton Keynes MIND and to the Milton Keynes and North Buckinghamshire disability network and of the important work done by both those organisations. She is right to say that people with mental health problems face great difficulties relating to employment and we are bringing in reforms to improve their opportunities for work and social inclusion. I mention the extension to 12 months of the period for which a person who has been on incapacity benefit can try out work without losing the right to return to the same rate of benefit if that should prove necessary; the removal of the restriction to 16 hours of the amount of voluntary work that a person on incapacity benefit may do without forfeiting that benefit; and the development under the new deal for disabled people of the role of personal advisers, who will give flexible and sensitive support to individual disabled people, including those with mental illness.

Mrs. Theresa May (Maidenhead): Does the Minister accept that the Government's own figures show that in this financial year £580 million is to be spent under the new deal on 118,000 young unemployed people whereas over the next four years £195 million is to be spent on 1 million people with disabilities who are unemployed? Does the Minister accept that for unemployed people with disabilities that is a poor deal compared with that for those who are young and unemployed and that the Government should try to put more money from the new deal into opportunities for people with disabilities? Will he guarantee that he will put pressure on the Chancellor of the Exchequer to ensure that any sums that are available under the new deal but are not being spent elsewhere will be spent on opportunities for people with disabilities?

Mr. Howarth: The hon. Lady knows that I shall try to secure as many resources as possible to support disabled people and to give them the opportunities that they ought to have to get into work, to stay in work and to thrive in work. Her figures are somewhat speculative and she should bear it in mind that new deal for disabled people funding is in addition to a range of other programmes that already serve disabled people.

Mrs. Angela Browning (Tiverton and Honiton): Is the Minister aware that, like other hon. Members, I have been contacted by the person who is implementing the new deal in my area asking for my ideas? I had some ideas I wished to share in respect of people with disabilities because there are well-established schemes around the country, but I was alarmed to find that, when we opened up the discussion and I asked how many people in my travel-to-work area who were registered as having a disability might be eligible, the person did not know. When I asked what arrangements could be made to help people who had transport difficulties either because of lack of mobility or their needing to be accompanied to work, I was told that that matter had not been addressed. When I asked which disability benefits—not only incapacity benefit, but which other benefits—would qualify under the scheme, again I was told that the issue had not been thought out. I hope that, when the Minister leaves the Chamber, he will put the disabled and their part in the new deal at the top of his list, because it seems clear from the conversation I had with the person responsible for implementing the new deal that they are at the bottom of the list.

Mr. Howarth: The hon. Lady may have forgotten that the Government of which she was a member abolished the system of registering disabled people in their disability discrimination legislation. I am glad that she is willing to share her thinking and give her advice to the Employment Service and, in particular, to disability employment advisers in her constituency.

We are developing the new deal for disabled people in consultation with organisations of and for disabled people. A consultative seminar on 12 May will examine how we should design the personal adviser service. The hon. Lady is a little premature when she suggests that everything ought to be cut and dried at this early stage.

Mr. Dennis Skinner (Bolsover): I find it hard to believe what Tory Members are saying about the disabled. My hon. Friend knows, as do many of my hon. Friends who were Members at the time, that three years in succession we tried to pass disability Bills but the Tory Government filibustered and stopped them. The hon. Member for Tiverton and Honiton (Mrs. Browning) was a member of that Government. We carried one of the Bills by 200 votes to nil, and her colleague, Nicholas Scott, was dragged to the House late one Friday to filibuster and stop it being passed. There was not a squeak from the hon. Lady and all her sidekicks on the Front Bench then. They stink to high heaven and they are hypocrites.

Mr. Howarth: My hon. Friend evokes some of the great struggles that we had on Friday morning after Friday morning, when the previous Government, to my great sadness, opposed and frustrated the Civil Rights (Disabled Persons) Bill for which he and I fought. At least we now have a Government who are committed unequivocally to introducing comprehensive, enforceable civil rights for disabled people.

Unemployment

15. **Mr. David Rendel** (Newbury): What assistance is provided by his Department for unemployed people over the age of 50 wishing to return to work. [40047]

The Parliamentary Under-Secretary of State for Education and Employment (Mr. Alan Howarth): The Department currently provides a wide range of help for all unemployed people over 50 who wish to return to work. That help will be extended from June when the new deal for long-term unemployed people aged 25 and over is introduced.

Mr. Rendel: Does the Minister agree that in addition to direct assistance to people who are over 50 and unemployed, it would be helpful if he could run a campaign that gives indirect help by persuading employers that the dependability, experience and loyalty older people often exhibit are worth at least as much to them as the qualities in which younger people often excel?

Mr. Howarth: The hon. Gentleman is absolutely right, and employers who are prejudiced against employing people in their 50s or older and who discriminate against them frequently do themselves a disservice. Any systematic age discrimination is unacceptable, which is why the Minister of State, my right hon. Friend the Member for Oxford, East (Mr. Smith), has been consulting on and preparing the policies that we will introduce to end such discrimination.

Mr. Dale Campbell-Savours (Workington): The job club in Maryport in my constituency, which is of great help to the over-50s, is to close tomorrow. I am not happy about that because it sends out the wrong signals in an area that has the highest unemployment in Cumbria. Can the decision, even at this late stage, be reviewed? In particular, can the impact of closure be measured so that we can assess what effect it has on the local community?

Mr. Howarth: No hon. Member fights more determinedly for his constituents than my hon. Friend. I shall ask the chief executive of the Employment Service to examine the case carefully and satisfy himself that the Employment Service has made the right decision in Maryport. I do not know the detailed circumstances in my hon. Friend's constituency that may have led to that decision, but I can tell him that from June the new deal for long-term unemployed people should be of great value to his constituents.

Disabled People

17. **Mr. Tom Levitt** (High Peak): What plans he has to develop the role of personal advisers in improving disabled people's prospects of employment. [40050]

The Parliamentary Under-Secretary of State for Education and Employment (Mr. Alan Howarth): Under the new deal for disabled people, the personal adviser service will offer an expert, individually tailored service designed to encourage and support people on incapacity benefits as they seek work and greater independence. We have announced plans to start pilot services in the autumn.

The new deal for 18 to 24-year-olds, which began nationwide on 6 April, also helps disabled young people in receipt of jobseeker's allowance. Personal advisers will, as part of the gateway stage, help identify the most appropriate route into employment, tailored to each disabled person's needs.

Mr. Levitt: I thank my hon. Friend for that answer. I am sure he agrees that disabled people should receive a sympathetic and understanding reception at whichever part of the Employment Service they first come into contact with. Will he ensure, therefore, that good practice in that respect, whether it is from the new deal, the placing assessment counselling teams, or other parts of the Employment Service, is disseminated throughout that service for the benefit of all disabled people seeking work?

Mr. Howarth: I strongly welcome what my hon. Friend has said. We expect good practice that is developed in the gateway and in the whole experience of the new deals, including the new deal for disabled people, to be spread throughout the Employment Service. I know that my hon. Friend has been in discussions with Leigh Lewis, the chief executive of the Employment Service, and I am sure that he is aware of the guidance given to staff of the Employment Service that they should treat all clients with the sensitivity and dignity that they are entitled to expect.

Mr. Nick St. Aubyn (Guildford): On a point of order, Madam Speaker.

Madam Speaker: We take points of order after statements and the business question.

Business of the House

3.31 pm

Mrs. Gillian Shephard (South-West Norfolk): May I ask the Leader of the House for next week's business.

The President of the Council and Leader of the House of Commons (Mrs. Ann Taylor): The business for next week will be as follows.

MONDAY 11 MAY—Second Reading of the Competition Bill *[Lords]*.

TUESDAY 12 MAY—Remaining stages of the Scotland Bill (second day).

WEDNESDAY 13 MAY—Until 2 pm, there will be debates on the motion for the Adjournment of the House.

Consideration of any Lords amendments which may be received to the Social Security Bill.

THURSDAY 14 MAY—Consideration in Committee and remaining stages of the Tax Credits (Initial Expenditure) Bill.

FRIDAY 15 MAY—The House will not be sitting.

The provisional business for the following week will be as follows.

MONDAY 18 MAY—Opposition Day [11th allotted day].

There will be a debate on an Opposition motion. Subject to be announced.

TUESDAY 19 MAY—Conclusion of remaining stages of the Scotland Bill.

WEDNESDAY 20 MAY—Until 2 pm, there will be debates on the motion for the Adjournment of the House, which will include the usual three-hour pre-recess debate.

Consideration in Committee of the Human Rights Bill *[Lords]* (first day).

THURSDAY 21 MAY—Debate on the common agricultural policy on a Government motion. Details will be given in the *Official Report*.

The House will also wish to know that on Wednesday 20 May there will be a debate on fisheries monitoring under the common fisheries policy in European Standing Committee A.

Details of the relevant documents will be given in the *Official Report*.

[*Thursday 21 May:*

Floor of the House—Relevant European Community document: 7073/98, Agenda 2000: Reform of the Common Agricultural Policy. Relevant European Legislation Committee report: HC 155-xxvi (1997–98).

European Standing Committee A—Relevant European Community document: 6123/98, Fisheries Monitoring under the Common Fisheries Policy. Relevant European Legislation Committee report: HC 155-xxii (1997–98).]

Mrs. Shephard: I thank the right hon. Lady for that statement, and for giving the House two weeks' business. I also thank her for rearranging the business, following the suggestion that there might have been a debate next week on the work of the Select Committee on Modernisation of the House of Commons. It is extremely courteous of her to be so accommodating to the Opposition's needs, and I am very grateful.

I understand the problems that the right hon. Lady has in fitting the Government's legislative programme into the time remaining for this Session, although, as I have remarked many times, the problems are of the Government's own making. Nevertheless, given the private notice question yesterday on Sierra Leone and the fact that next month the United Kingdom's presidency of the European Union ends, I must repeat my request for a debate on foreign affairs, and especially for the Foreign Secretary's reassurance to the House that his avowed aim to pursue an ethical foreign policy remains on course.

Once again, I must ask the right hon. Lady when the Government will publish the Bill on the registration of political parties. It has been helpful that Opposition parties have been involved in the preparation of the Bill, as the right hon. Lady correctly pointed out on earlier occasions when I raised the matter, but that is not the same as seeing the Bill and being able to study it. I have consistently argued that we need to see and study the Bill alongside the constitutional Bills that are going through the House. We were promised the Bill shortly after Easter, and that time, however vaguely defined, has now passed.

Hon. Members will have received their questionnaires from the Modernisation Committee on possible changes to voting procedures. Can the right hon. Lady confirm my impression that changes to Prime Minister's Question Time, which were rather abruptly introduced a year ago by the Prime Minister, were for a trial period? Does she have any plans to give hon. Members the chance to comment on how that experiment has worked—apart, of course, from halving at a stroke the number of times each week the Prime Minister must bring himself to the House of Commons?

As Conservative Members have made clear, we welcome the judicial impartiality with which Lord Justice Phillips is approaching his work on the bovine spongiform encephalopathy inquiry. Is it not all the more regrettable, therefore, that the Prime Minister, in saying on 4 March on the Floor of the House that the Conservatives "gave the country BSE", has clearly made up his mind about the outcome of what he and his Government have billed as an impartial inquiry? He apparently has no qualms about pre-empting the work of Lord Justice Phillips and his colleagues.

We should be grateful if the right hon. Lady would arrange for the Prime Minister to confirm or otherwise whether he regards the inquiry as impartial and, if he does, to withdraw his unfortunate remarks on 4 March. I raise that matter because my correspondence with the Prime Minister making that simple request has been terminated rather peremptorily by a letter from a private secretary refusing to answer the point. Apart from the ill-tempered discourtesy that that reveals, and the fact that it is hardly a demonstration of open government in practice, it shows that, as we have all learnt over the past year, saying is one thing and doing is another for the Government.

Mrs. Taylor: On the last point, I have no knowledge of the correspondence to which the right hon. Lady refers, so I cannot comment on that at this stage.

I am glad that the right hon. Lady again acknowledged that we have been able to announce two weeks' business. We have been able to do that ever since we came back after the summer recess and possibly some time before that. As we get further into the summer, however, it may be more difficult to provide precise details of business so far in advance, but I shall endeavour to do so whenever possible.

The right hon. Lady acknowledged that we have taken off the modernisation debate which was planned for next Thursday. We are very short of time, but we intend to reschedule the debate at a time that will be more convenient to her. I know that there are extremely good reasons why the Opposition wanted the debate to be moved.

The right hon. Lady referred to a foreign affairs debate in the context of a debate on the presidency; that was mentioned last week as well. I can confirm that I intend that there should be a full day's pre-Council debate before the Cardiff summit meeting. That would be helpful to everyone. I cannot give a precise date, although it may be helpful to the House to state that that will be a full day's debate, according to present plans.

As the right hon. Lady acknowledged, we have been extremely helpful in providing for as much consultation on the registration of political parties Bill as possible, not only with the official Opposition but with other parties. I expect that we shall see that Bill shortly. We will certainly have the normal period between publication and Second Reading, so the right hon. Lady should have no fears on that. However, I do not accept her proposition that it is relevant to other constitutional changes introduced by other legislation.

The right hon. Lady mentioned the questionnaire sent out by the Modernisation Committee on voting procedure. I hope that hon. Members will remember to return the questionnaire on time so that we can get a full picture of the views of the House.

As for the changes to Prime Minister's questions, the right hon. Lady managed to keep a straight face when asking about the trial. I think that it is the Leader of the Opposition, rather than anyone else, who is on trial. A quick check on the time that the Prime Minister spends on Prime Minister's questions will show that, in the past 12 months, he has spent more time answering questions at the Dispatch Box than did the previous Prime Minister during a similar period. I think that the procedure is working quite well.

As to the right hon. Lady's complaints about BSE, she knows that it is an impartial and important inquiry. The simple, basic and irrefutable fact is that the Conservatives were in power when the problems arose and their mishandling of the situation led to many difficulties.

Mr. Allan Rogers (Rhondda): Will my right hon. Friend find time for the House to debate the affairs of some 10 years ago and the active role that then Ministers of the Crown played in breaking the United Nations embargo on the export of arms into areas of conflict and potential conflict? Some of those Ministers, such as the right hon. Member for Westminster, invited industrialists to falsify documents so that arms could be sold to Iraq. Those same arms were used against British soldiers—

Madam Speaker: Order. The hon. Gentleman has referred to the wrong constituency. When making serious allegations such as this, it is extremely important that he refers to the correct constituency representative.

Mr. Rogers: I am sorry, Madam Speaker. I am referring to the right hon. Member for Chelsea, who was Minister for Trade and who then became Minister of State for Defence Procurement.

Madam Speaker: Order. Kensington and Chelsea. Let us get it right.

Mr. Rogers: Thank you, Madam Speaker, for allowing me to emphasise that I am referring to the right hon. Member for Kensington and Chelsea (Mr. Clark). The Government of the day broke not only the United Nations embargo but the guidelines laid down by the then Foreign Secretary, Sir Geoffrey Howe. Will my right hon. Friend find time for a debate on the Floor of the House in view of the extreme hypocrisy shown by the Government at that time?

Mrs. Taylor: I am tempted to say that, in view of the detail that my hon. Friend has provided, I am not sure that he even needs to apply for an Adjournment debate on that subject—but perhaps he might like to do so.

Mr. Paul Tyler (North Cornwall): May I express some disappointment—although I understand the reasons for the decision—at the fact that we shall not debate the Modernisation Committee reports? Not only does the House wish to make some advances on the issues that the Committee has raised, but I think that we need a more general debate about the priorities of that Committee. I think that the right hon. Lady will agree that there is much pressure from both sides of the House for the Committee to turn its attention to the important issues of working hours, the parliamentary day, week and year and how Parliament handles private Members' Bills. I hope that we shall have that debate before too long.

I draw the right hon. Lady's attention to the fact that there is now a gap in the programme next Thursday. Could we fill it with a debate on an issue that clearly concerns many hon. Members: the Foreign Office and arms sales? I share the view of the hon. Member for Rhondda (Mr. Rogers) that the humbug and hypocrisy that we have seen from the Conservatives on this issue in the past 48 hours have been breathtaking and mind-boggling. It is as if we do not remember—I am sure that the Leader of the House does—the way in which the previous Government treated the Scott report. Not only was it undermined in advance, but, as soon as it appeared and a statement was made in the House, the Government refused to act on its central conclusion. Therefore, I hope that the first lesson we have learnt from the past 24 hours is that we must take a proper, dispassionate view of such issues rather than the prejudiced view adopted by the Opposition.

I hope that the Leader of the House will agree that we should have learnt some lessons from that episode and that we should not repeat the mistakes that were made

[Mr. Paul Tyler]

then. I draw her attention to the fact that, yesterday, the Foreign Secretary admitted that it took two months for the letter about Sierra Leone from my noble Friend Lord Avebury in the other place to reach the Minister's desk. That is quite extraordinary. I hope that we can have an early explanation on why Ministers were kept in the dark.

In response to the debate on 2 April opened by my hon. and learned Friend the Member for North–East Fife (Mr. Campbell) on behalf of the Liberal Democrats, the Minister of State, Foreign and Commonwealth Office, the hon. Member for Manchester, Central (Mr. Lloyd), promised answers on issues precisely relevant to the behaviour of the Foreign Office and its monitoring of arms sales. We have not had those answers. For example, we still do not know what biological weapons were constructed as a result of the supply of materials from Britain. Clearly, matters such as Iraq, germ warfare and the role of the Foreign Office need a great deal more attention.

Finally, surely by now we should know whether the Government intend to ratify the Ottawa convention.

Mrs. Taylor: I shall look into the hon. Gentleman's point about questions and the hon. Gentleman will know that we know the Government's position on the Ottawa convention. We signed the convention in December and we have made it clear publicly that we intend to ratify it as soon as parliamentary time allows.

On the hon. Gentleman's other points about the private notice question answered by my right hon. Friend the Foreign Secretary yesterday, the inquiries which are now to take place should not be prejudged. I hope that the hon. Gentleman will accept that there are clearly differences. As much information as is available at this stage has been given to the House. An inquiry is being conducted by Customs and Excise and there will also be an internal Foreign and Commonwealth Office inquiry. The House will be kept fully informed of the results of both those investigations in due course.

The hon. Gentleman's points on modernisation are well taken. It is important to have a debate to consider not only the reports that have been published so far, but to take stock of what the House wishes the Modernisation Committee to consider next. The Committee has already decided to consider the parliamentary week and year and we are to have a survey on voting methods. There is much to justify a debate and there is great interest in the House on that matter.

Mr. Andrew Mackinlay (Thurrock): On 1 July 1994, we had a full day's debate on veterans' issues and it was one of the best attended Friday debates. Hon. Members from all corners of the House expressed the wish that we should have such a debate again, perhaps annually. In view of the interests of all hon. Members in veterans' issues, such as dependants and war widows, will my right hon. Friend try to find an opportunity for a debate when hon. Members—the overwhelming majority, I think—have an opportunity to air views on matters ranging from Gulf war syndrome, to the equal treatment of war widows in relation to local authority housing benefit and visiting of war graves? Such a debate would be most welcome to all hon. Members.

Mrs. Taylor: My hon. Friend has taken a specific interest in this matter for many years and I have listened to him carefully. He raises significant issues and he is right to say that they are of interest to hon. Members on both sides of the House. I shall bear in mind his suggestion for a Friday debate later in the year. I cannot give any guarantee that it will be possible to fit in such a debate, but I shall not rule it out.

Sir Peter Emery (East Devon): I had intended to ask only one question, but will the right hon. Lady reconsider her reply to my right hon. Friend the Member for South-West Norfolk (Mrs. Shephard)? To dismiss the promised review of Prime Minister's questions simply on the issue of time does not take into account the great benefit to the Government of the Prime Minister having to be here only once a week and the great advantage to the Opposition of having the Prime Minister here twice a week. That is a considerable matter which needs review.

I come now to the question that I had originally intended to ask. The right hon. Lady knows that I pressed my Government many times for debates on Procedure Committee reports. I shall not do that, and I understand the reason for the deferment of the debate which was to take place next Thursday. However, is it not the case that no preparation has yet been made by the Government to bring in the necessary Standing Orders to deal with the first two reports of the Modernisation Committee and the recommendations in those reports, which were agreed by the House as long ago as the end of the summer? Surely there should be some positive action to bring those into operation.

Mrs. Taylor: Precisely what the right hon. Gentleman is asking for could have happened if we had had the debate next Thursday. When I gave the provisional business last week, I announced that there would be a debate and motions on modernisation. I do not say that we shall get all the changes to Standing Orders, because I am keen that we should proceed on the basis of agreement. However, at the end of such a debate there will be an opportunity to endorse some of the Modernisation Committee's decisions.

Mr. Harry Barnes (North–East Derbyshire): Will thought be given to widening the potential of the foreign affairs debate so that it includes third-world debt, which was last discussed in the House in an Adjournment debate on 3 March? Given the campaign by Christian Aid and others directed towards the G8 summit, it would be appropriate to include that matter in that debate.

Mrs. Taylor: There are many issues that we should like to have debated. The debate that I mentioned specifically relates to our presidency and to the Council meeting in June. There may be opportunities for other foreign affairs debates during the year. I know that my right hon. Friend the Secretary of State for International Development would like a debate on her portfolio. We are trying to fit in as many such debates as possible, but we may not be able to have them all. However, I shall bear all representations in mind.

Sir Geoffrey Johnson Smith (Wealden): The Leader of the House will be aware that the Prime Minister and the Secretaries of State for Foreign Affairs and for Defence have received a letter signed by a number of former generals, admirals and air chief marshals,

distinguished members of universities commenting on military affairs and many others, including retired diplomats from important posts connected with NATO, suggesting that it is wrong to expand NATO. As the Select Committee on Defence has also reported on NATO expansion but is in favour of it, does the Leader of the House agree that it is important to debate that vital issue in advance of the defence review so that we are better able to make an informed judgment?

Mrs. Taylor: A debate on NATO enlargement is on my list and I am trying to fit it in between Whit and the summer recess.

Fiona Mactaggart (Slough): I was pleased to hear my right hon. Friend's response to the request that we make time to debate ratification of the Ottawa convention. It is of great concern to some of my constituents—Soroptimists and others—who have written to me about it. Does my right hon. Friend share my belief that it would be very sad if the first anniversary of Princess Diana's death were to pass without our having passed the necessary legislation?

Mrs. Taylor: We want to move as quickly as we can, but my hon. Friend and others will appreciate the weight of the programme before the House. As I said earlier, we have signed that convention and given clear assurances that we intend to ratify it as soon as parliamentary time becomes available.

Mr. Edward Garnier (Harborough): The right hon. Lady may know that last Thursday was the closing date for responses to the Lord Chancellor's consultation paper on legal aid reform. Most people who know anything about that subject have so far concluded that the proposals, both those originally advanced last October and the amended version pronounced last March, were economically illiterate and politically inept and will prove to be socially divisive. May we therefore have a debate at the earliest opportunity, following the Lord Chancellor's report on the consultation process, so that hon. Members, particularly Labour Members, who have not got their heads around this matter, can have an opportunity to do so?

Mrs. Taylor: One would not think from the hon. and learned Gentleman's remarks that the review of legal aid is to sort out the mess that we inherited from the Conservative Government. There have been debates in this Parliament, but I shall bear in mind the suggestion that we should have another debate on legal aid. It is important that we review the situation so that the public can have confidence in the legal aid system, which was not the case under the previous Government.

Mr. John Cryer (Hornchurch): I wonder, first, whether my right hon. Friend can find time for a debate or a statement on recruitment of teachers, which is a particular problem in my area. There is a shortage of teachers when jobs are advertised.

Secondly, may we have a return to a specific Question Time on the European Union? The single currency is becoming a bigger and bigger issue and we must put it under the spotlight—something that it fully deserves and every hon. Member would welcome. I remind my right hon. Friend that the Tories abolished Question Time on the European Union and shifted it away from the spotlight. They are now keen to debate everything about Europe. Although they paraded themselves as great Euro-sceptics when in power, they were keen to shift the spotlight off it.

Mrs. Taylor: My hon. Friend raises two different points. There is a shortage of teachers in certain areas, and only in certain areas. He knows that the Department for Education and Employment is aware of the problem and is taking action on teacher recruitment, which I hope will help in his area. He could apply for an Adjournment debate, but that is the best I can offer, because there is no Government time for a debate on the Floor of the House.

I cannot accept the suggestion for a separate Question Time on EU matters, although I understand why my hon. Friend asked for that. EU-related matters come within a range of questions—not only Foreign Office questions, but Treasury questions and others. The current situation is best left.

Mr. Geoffrey Clifton-Brown (Cotswold): Is the Leader of the House aware that a serious financial impropriety at our embassy in Amman was examined by the Public Accounts Committee in February 1997? It involved a sum of £333,000 in respect of forged life insurance bonds of dead pensioners. Lo and behold, less than a year later, another serious financial situation was highlighted in the appropriation accounts for 1996–97, class II, vote 1. It involved the sum of £109,000, and a senior accounting official is facing serious criminal charges. In examining that matter, the principal accounting officer said that it was to the Foreign Office's shame that such a thing should have happened twice in the same embassy.

We now find that senior Foreign Office officials are covering up licences to Sierra Leone in respect of arms. I repeat in the strongest terms the request of my right hon. Friend the Member for South-West Norfolk (Mrs. Shephard) for a debate in the House so that we can examine the conduct of senior Foreign Office officials who seem to be doing less than the high-standard job that one would expect of the Department.

Mrs. Taylor: I understand that the Public Accounts Committee highlighted several problems of that sort that occurred under the previous Government. The hon. Gentleman is simply highlighting some of the difficulties that arose when his party was in government. I have nothing to add to what I have said about a wider debate.

Mr. Don Foster (Bath): Will the Leader of the House arrange as soon as possible for a Minister to report to the House on investigations into serious allegations that the United States Department of Defence at the Pentagon has attempted to hack into a computer of an organisation in my constituency? *[Interruption.]* Is she aware that the Whale and Dolphin Conservation Society has been investigating the activities of a number of dolphins, which were trained initially by the former Soviet Union, and more recently by Russia and Ukraine? Forty-three of those dolphins are now in the hands of other nationalities. The Pentagon is clearly interested in that. *[Interruption.]* Although the Whale and Dolphin Conservation Society has promised to give the Pentagon the report when it is

[Mr. Don Foster]

completed, there is now clear evidence that, more recently, the Pentagon has attempted to hack into the society's computers. Will the Leader of the House assure me that the Government will investigate and that there will be a statement by the relevant Minister on those investigations?

Mr. Dennis Skinner (Bolsover): It sounds like David Icke.

Mrs. Taylor: I am receiving a great deal of advice from my hon. Friends about what I should say in answer to the hon. Gentleman. I do not know of any Department that has received any specific information on this matter, but I suggest that the hon. Gentleman pass on any information of that kind. If he wants to raise the matter on the Floor of the House and get an answer from a Minister, he should try his luck with an Adjournment debate.

Mr. Tam Dalyell (Linlithgow): Before anything more is said about Sierra Leone, may we have an explanation on why, despite all this fuss about the debate on 12 March, no Conservative Member bothered to participate in it? It is a debate about which the Conservatives are now so fussed, or purport to be so fussed. Is it not a matter of record that the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Manchester, Central (Mr. Lloyd), was candid and referred to *The Observer* report in column 844 of *Hansard*? He said:

> "It talked about Britain's talks with hired killers, and about the Foreign Office admitting our ambassador's link to notorious mercenaries plotting against Sierra Leone's Government. Ironically, that was wrong."—[*Official Report*, 12 March 1998; Vol. 307, c. 844.]

It would be an abuse of business questions to go any further, but before people start making such criticisms, should they not read the full debate and see that my hon. Friend the Minister was candid?

Mrs. Taylor: Not for the first time, my hon. Friend is helpful to the House. I know that he would never abuse business questions. I have to agree with him that it would not be the first time Conservative Members had jumped in, not only without reading the debate but without any of them participating in it. Fortunately, I am not responsible for speeches from Conservative Members.

Mr. John Bercow (Buckingham): Given that fine buildings are important to millions of people in Britain and an attraction to tourists, can the right hon. Lady find time for an early debate or statement on the role and performance of English Heritage? I have to inform the right hon. Lady that I have received representations from constituents who have complained that delays in the determination of applications for grant aid of six months and more are becoming commonplace. Hon. Members will recognise that the effect of such delays is to hold up work that we would all recognise as vital to the national heritage. Will the right hon. Lady see her way to trying to assist in that matter?

Mrs. Taylor: I cannot promise a debate on that matter, but I will bring the hon. Gentleman's remarks to the attention of the relevant Minister.

Dr. Julian Lewis (New Forest, East): Will the right hon. Lady arrange for the Deputy Prime Minister to come to the House at an appropriate time to explain his conduct when he was standing in for the Prime Minister at Question Time on 8 April? He appeared to have an attack of amnesia and refused to answer a question, because he claimed that it was "not truthful" for me to have stated in that question that he, the Foreign Secretary and the Prime Minister had all been supporters of the campaign for unilateral nuclear disarmament in the 1980s. If the Deputy Prime Minister were to be brought before the House, perhaps he would explain why he has singularly failed to acknowledge, let alone reply to, a letter from me including the exchange in question and asking him to say what was not truthful in the statement that I made in that question.

Mrs. Taylor: I am not sure whether the hon. Gentleman is brave or foolish in asking the Deputy Prime Minister to come back and batter him again, as he did at that Prime Minister's Question Time. The Prime Minister has missed only one Prime Minister's Question Time, and he did so because of the important events and the delicate situation in Northern Ireland. Unfortunately, my right hon. Friend the Deputy Prime Minister has therefore had only one opportunity to stand in for the Prime Minister, and it was a very entertaining, informative and thoroughly enjoyable occasion for Labour Members.

Sir Patrick Cormack (South Staffordshire): I wonder whether I might return to a point raised by my right hon. Friends the shadow Leader of the House and the Member for East Devon (Sir P. Emery), which the right hon. Lady rather skilfully managed to skirt around. Will she tell us whether the change in holding Prime Minister's Question Time once a week rather than twice a week—which is far more than only a change of time—is for an experimental period or for the duration of this Parliament? The impression that was given last year—when that arbitrary change was announced without any consultation with anyone—was that it would be for a period, and that the House would then be able to pass a judgment. Will the right hon. Lady please confirm precisely the position?

Mrs. Taylor: When the changes were made, I said that we would keep the position under review. We have been keeping the position under review, although I have received very few complaints about the way in which Prime Minister's Question Time has been going. Although we are always willing to consider good ideas, the current situation is extremely satisfactory. I can think of no way of further improving Prime Minister's questions—other than by having better quality questions from the Opposition.

Sierra Leone (Ministerial Statements)

4.6 pm

Mr. Michael Howard (Folkestone and Hythe): On a point of order, Madam Speaker. On Tuesday, the Minister of State, Foreign and Commonwealth Office, the hon. Member for Manchester, Central (Mr. Lloyd), told the Foreign Affairs Select Committee that he first knew of the Customs and Excise inquiry into arms sales to Sierra Leone on Friday 1 May. Yesterday, the Foreign Secretary told the House that the Minister of State first knew of the investigations in mid-April. "A code of conduct and guidance on procedures for Ministers" states:

"It is of paramount importance that Ministers give accurate and truthful information to Parliament, correcting any inadvertent error at the earliest opportunity. Ministers who knowingly mislead Parliament will be expected to offer their resignation to the Prime Minister".

The Minister of State has, to my knowledge, done none of those things. I do not know whether you have been given any indication that he intends to do so, or whether in some other way the code's integrity and the rights of Parliament can be protected. I should be most grateful for your guidance on this matter.

Several hon. Members *rose—*

Madam Speaker: No. I can deal with this, thank you very much indeed.

If the Minister believes that he has inadvertently and significantly misled the Committee, the House will of course expect him to correct the situation. However, it is a matter between the Minister and the Foreign Affairs Select Committee. That is the crucial point. Hon. Members were trying to be very helpful on that point of order, but I do not think that it was necessary.

Mr. Andrew Mackinlay (Thurrock): On a point of order, Madam Speaker. I was going to make the very point that you made. It is—

Madam Speaker: Order. I do not need any endorsement, thank you.

BUSINESS OF THE HOUSE

Ordered,

That, at this day's sitting, the Speaker shall not adjourn the House until she shall have notified the Royal Assent to Acts agreed upon by both Houses.—*[Mr. Jamieson.]*

Orders of the Day

Tax Credits (Initial Expenditure) Bill

Order for Second Reading read.

4.7 pm

The Financial Secretary to the Treasury (Dawn Primarolo): I beg to move, That the Bill be now read a Second time.

I am pleased to have the opportunity to open the debate on the Bill's introduction and to recommend it to the House. This short Bill's purpose is to provide authority for preparatory expenditure by the Inland Revenue and the Department of Social Security on introduction of the new working families tax credit and disabled persons tax credit.

As hon. Members will be aware, in his recent Budget, my right hon. Friend the Chancellor of the Exchequer announced the introduction of the working families tax credit, from October 1999. The new tax credit is central to the Government's major programme of tax and benefit reform, and will provide a very real incentive to move from welfare into work, by significantly boosting the earnings of low-income families with children, and providing extra help with child care costs. It will build on and replace family credit; similarly, a new disabled persons tax credit will build on and replace disability working allowance. Both the new tax credits will be assessed and administered by the Inland Revenue, and from April 2000 will be paid mainly by employers through the wage packet.

The working families tax credit proposal has been widely welcomed. It is designed to make work pay for families. By providing a clear link with employment, it aims to demonstrate the rewards of work and help people to move off welfare benefit and into work. As a tax credit rather than a welfare benefit, it should also reduce any stigma associated with claiming in-work support. We believe that that will encourage higher take-up.

When it is fully up and running, the working families tax credit will provide around £5 billion of help to about 1.5 million working families—equivalent to £70 per family per week. It will give almost £1.5 billion more in-work support than family credit.

The working families tax credit represents an important step towards greater integration of the tax and benefit systems. In particular, it will reduce the current wasteful overlap between the tax and social security systems, whereby almost 500,000 families pay income tax to the Inland Revenue while receiving family credit from the Department of Social Security.

The Bill seeks to assist with the preparatory work. Although the working families tax credit will not begin until October 1999, there is a great deal of work to be done, as I am sure hon. Members will appreciate. The importance of the measures, with their significant benefits to low-income families and people with illnesses or disabilities, means that it is particularly important to ensure that the system works efficiently and effectively from the start. That involves very careful preparation. An Inland Revenue project team, working jointly with the Benefits Agency and the Department of Social Security, has been set up to plan the new processes.

[Dawn Primarolo]

The legislation to enact the tax credits will be introduced in the next parliamentary Session and hon. Members will have the opportunity to debate the details at that time. However, the basic structure and purpose of the tax credits are clear. I shall summarise them briefly.

In general, families on low incomes where the main earner works more than 16 hours a week will be entitled to a tax credit of £48.80 in respect of the adult or adults in the household. They will also be entitled to a tax credit in respect of each child, ranging from £14.85 to £25.40 a week, depending on the age of the child. There will be an additional tax credit of £10.80 where the main earner works more than 30 hours a week. That is to encourage people to move from part-time to full-time work.

In addition, the working families tax credit addresses the problem posed by the cost of child care, a major obstacle to work for many families. The scheme will include a child care tax credit designed to make support for child care through the tax system more generous and more transparent than is currently the case with family credit.

The child care tax credit will be worth 70 per cent. of eligible child care costs, subject to an overall limit on those costs of £100 a week for one child and £150 a week for two or more children. So, through the child care tax credit, support for child care costs will be provided up to a maximum of £70 a week for a family with one child and £105 per week for a family with two or more children. That will be a significant increase on the maximum support currently provided through family credit.

It is important to explain at what point withdrawal of benefit will start, once the working families tax credit is operational. Withdrawal from a family will start when their net income, before adding working families tax credit, exceeds £90 a week. That is called the withdrawal threshold. After that, the withdrawal rate for each additional pound of net earnings will be 55 per cent. That is known as the taper.

The structure of disabled person's tax credit will be broadly similar, and will include an adult credit for single people and those who are married, a child credit and a child care tax credit to help with child care costs. The structure of the new tax credits reflects the priority that the Government attach to getting those who are out of work into work, and keeping them in work and on the ladder of job opportunity.

Another significant discouragement to work is the poverty trap, which arises when the combination of tax and the withdrawal of benefits gives rise to very high marginal tax rates. The working families tax credit alone will therefore ease the poverty trap by reducing the marginal rates for more than 500,000 families who currently receive family credit.

Both the working families tax credit and the disabled person's tax credit will be administered by the Inland Revenue on their introduction in October 1999. From April 2000, they will be paid in the main by employers through the wage packet. For working families tax credit, couples will have the right to elect to whom the credit is paid—the man or the woman.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): Is the Minister able to tell us whether some of the moneys for which we will be voting tonight will assist the Government in contemplating whether that choice will be available only to married couples, or also to people who are living in relationships that are technically outside marriage?

Dawn Primarolo: The Bill is to assist in the development of the detail, planning and consultation that will be necessary in building on family credit, taking its best elements and transferring them to the working families tax credit. Since the hon. Gentleman is very knowledgeable on these issues, I am sure that he understands that the consultation and detailed work on answering the many questions, including the one that he has posed, needs to be clarified, so that, when the Bill is fully scrutinised, all necessary consultation and preparation has been undertaken. The House is being asked to agree that work can start on development of the proposals.

Having described in some detail the structure that we propose for the tax credits, I am sure that hon. Members will appreciate the extent of the work involved in preparing for the introduction of such a scheme, and the many, many questions that need to be answered. Given the improvement that the scheme will provide for a range of people on low incomes, it is absolutely essential that it works efficiently and effectively from the start.

Computer systems and processes need to be designed and ready to begin on the date of the introduction of the working families and disabled persons tax credits. That cannot be done overnight—hence the importance of starting the work as soon as possible.

In order to build on the success of family credit, it is clearly vital that the Inland Revenue work closely with the Department of Social Security, and that both Departments start work straight away to develop the necessary business processes—thereby providing another example of closer working between Government Departments. Until the legislation introducing the working families tax credit and the disabled persons tax credit has been sanctioned by Parliament, the costs for these aspects of development work are outside the current accounting remit of both the Departments involved—hence the need for the Bill, to allow them to spend money preparing for the introduction of the tax credits.

That authority is essential to enable the development work to begin, so as to meet the timetable for introduction set out by my right hon. Friend the Chancellor in his Budget speech; and so as to answer the many questions that hon. Members continue to pose about the working of the tax credits.

The Government expect that the programme of tax and benefits reform to make work pay will, like the new deals, help people to move off welfare and into work. The working families tax credit and the disabled persons tax credit are central to that programme, and the work on their development is essential to its success. The Bill will enable that vital work to go ahead. I therefore commend it to the House, and ask hon. Members to support it.

4.20 pm

Mr. Michael Fallon (Sevenoaks): I declare the interests registered in my name in the Register.

The Bill is a rather curious and sudden afterthought. It was the Financial Secretary who, launching the Finance Bill, told us that the Bill would take forward the 1998

Budget measures to reform the tax and benefits system. We of course looked at the Finance Bill, but could find in it nothing about the working families tax credit. Now we are told that there are to be two further Bills—

Mr. Andrew Mackinlay (Thurrock): On a point of order, Madam Speaker. I apologise for interrupting the hon. Gentleman, but I was surprised to hear him say that he declared the interests in his name in the Register. I should have thought that insufficient; if he has an interest to declare, he should declare it in the House, not refer hon. Members to the Register. I hope that this is a matter of principle, not just of semantics.

Madam Speaker: The hon. Member for Sevenoaks (Mr. Fallon) has declared his interests. If they are of special interest to any Member, they can be immediately looked at in the Register.

Mr. Fallon: There appear to be two Bills involved: this Bill as a paving measure, and another one to be presented next year.

I described this Bill as a sudden afterthought. It could have been introduced last year. The basic structure of the working families tax credit was known last autumn. It seems to us that the Financial Secretary is leaving it very late to get a new system in place before October 1999.

We Conservatives welcome any measures to continue the progress we made towards easing the poverty trap, and improving the position of those on marginal rates. There is nothing wrong in principle with replacing benefits by credits—provided the new system is simple to operate; that it is easy to understand; that it does not impose excessive and unnecessary costs on business; and that it does not cut across the principle of independent taxation which we introduced when in government.

The working families tax credit, we believe, is going to fail a number of those tests. It will be an administrative nightmare for employers. There will be paperwork—from the recipient to the Revenue, from the Revenue to the employer, from the employer to the employee. The new system will cost millions to implement.

A number of extra costs will be incurred in introducing the tax credit, including the cost of moving the advantage further up the scale, and improving take-up. However, we are primarily concerned about costs to the employer and to the public purse.

On Budget day, we were told—I quote from the press release—that the measure was "good news for employers", but it now turns out that employers will have to do much of the work. They will have to check whether new employees are entitled to the working families tax credit and whether the certificate—or amendment to the tax code—that new employees bring with them has been correctly notified to the Revenue. That is one thing for personnel departments, but quite another for smaller businesses.

Employers will also have to know things that they did not have to know—and certainly do not want to know—about their employees. Why should companies have to find out what their employees' partners or spouses earn? Why should they have to know how many children there are in a household?

I draw the attention of the House to the evidence submitted to the Select Committee on Social Security—in appendix II of its report—by the Institute of Directors:

> "No employer will want to have to collect that information. Furthermore, many employees will be reluctant to supply such information to their employers. Claimants currently supply the information to the Benefits Agency only on the clear understanding that it will not go any further."

The Bill will take the tax man and the employer into completely new areas.

The measure will mean huge changes to the pay-as-you-earn system. Recipients of the new credit will often have higher net pay than gross pay. There will also be a considerable cash flow loss to employers and a cash flow advantage to the Government—happily for them. That can be illustrated by the simple fact that net pay will be increased and paid out at the end of the month, whereas the tax and national insurance contributions, which are paid on the 19th of the following month, will decrease. Does the Financial Secretary accept that that is the case? Will employers be compensated in any way for the cash flow damage they will suffer?

As well as costs to the employer, there will be huge costs to Government. The Budget press release said that the merging of the systems would produce better service and better compliance, and that the removal of the duplication of effort would increase efficiency. However, we now learn that there will be a huge cost, not increased efficiency—£15 million to £20 million will have to be spent simply on turning the Contributions Agency into part of the Inland Revenue. Will the Financial Secretary say whether the proposal will bring net administrative savings when it is fully implemented?

Will the Financial Secretary give us a breakdown of the £15 million to £20 million that she is asking Parliament for? She spoke rather airily of computer systems, but the sums she mentioned could not purchase many of those. How much is to be spent on computer systems, and how much on restructuring the Contributions Agency?

The Government said that 200 jobs might disappear. Six weeks on from that initial estimate, perhaps the Financial Secretary could confirm the figure of 200 jobs lost countrywide in the combined organisation, and tell us whether she rules out compulsory redundancies. It may be difficult to find the necessary retirements and resignations.

Dawn Primarolo: Perhaps I can help the hon. Gentleman. In the preparation for the working families tax credit, we are talking about the family credit unit, not the Contributions Agency, although that is associated with the work. The points about the transfer of the Contributions Agency into the Inland Revenue have been answered in detail to the hon. Members whose constituents are involved. The subject is not relevant to this debate, but I will be happy to send to the hon. Gentleman the information that I sent to all those hon. Members about the Contributions Agency.

Mr. Fallon: Unfortunately, the subject is relevant to the debate, because, as part of the new arrangement, the Contributions Agency is to be brought inside the Inland Revenue, with the loss of 200 jobs. It would be useful to the House if the Financial Secretary would confirm whether those jobs are at risk.

Dawn Primarolo: May I correct the hon. Gentleman? I realise that this is an important issue, but it is not connected with the paving Bill or with the development

[Dawn Primarolo]

of the working families tax credit. He is talking about a decision taken by the Government concerning operational efficiency, and I will be happy to send him the relevant information; but he should not confuse it with this debate.

Mr. Fallon: That is an interesting comment, because it is not simply a matter of operational efficiency. The press release referred to a new operation that will achieve a better service and better compliance, combining the tax and benefits system with the credit system. However, if the Financial Secretary intends to write to us with the details of the proposed job losses, that will be helpful.

An argument about the classification of the working families tax credit has been raging inside and outside Government, and in Select Committees, for about two months, and it is about time it was cleared up. The Red Book said that the classification was still to be determined. There is not much dispute between us that, in national accounting terms, 80 per cent. of the credit can be classified as public spending and 20 per cent. as a tax cut.

The argument concerns how one reports the net taxation figure. Has it has been agreed with the Office for National Statistics whether the working families tax credit can legitimately be scored for taxation purposes at 100 per cent.?

While we are on the subject of classification, perhaps the Financial Secretary could also tell us whether she accepts the Social Security Select Committee's recommendation that it would be helpful if the Treasury reported annually on the tax forgone as an element of the working families tax credit.

On the working families tax credit, we need answers to questions that the Financial Secretary has suggested remain unresolved. From the moment the tax credit was announced, Conservative Members asked again and again whether, if the man were the principal earner, the woman would have a veto. We were told that she sometimes would, but now we are told that the Revenue will develop the details of the new scheme over the coming months. Will the Financial Secretary say whether the Revenue will lay down rules to deal with disagreements?

The Paymaster General helpfully wrote to me on that point on 20 April:

> "The details of the new scheme, including the rules for dealing with particular situations such as disagreements between partners, will be developed by the Inland Revenue over the coming months."

We must ask why the tax man has been drawn into disputes—perhaps across the breakfast table—between partners. Should we really allocate that role to the Inland Revenue?

Perhaps the Financial Secretary will answer more fully than she did when she answered the question of the Chairman of the Social Security Committee, the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), about who would receive the credit. At one point we were told it would be the woman. Then we were told it would be the spouse. Now, I have been told by the Paymaster General that that is not so. His letter goes on:

> "The present presumption is that this would normally be paid to the partner who mainly cared for the children."

That is not what we were told during the Budget debates. It raises difficulties about the veto that was originally promised to the woman. Will the Financial Secretary tell us who is right? Will the woman in a relationship have a veto if the man is the main earner, or will it be up to the Revenue, and its rules, to decide who mainly cares for the children?

I can foresee some dispute arising over that. Men may argue that they care for their children in different ways, such as going out to work to bring home the bacon, rather than sitting at home looking after them. We must be clearer about whether women have the veto. If they do, it would be interesting to hear from the Financial Secretary whether women will be advised of that. Will the Government advertise to ensure that women know that they have a veto, or do the Financial Secretary and her colleagues hope that not all women will exercise the veto, because the benefit could then be classified not as a benefit, but as a tax reduction, which would assist their figures considerably?

I have put a number of questions to the Financial Secretary. I hope that she will be able to answer them, but, if she cannot do so tonight, it would be helpful if she did so before we go into detailed debate in Committee.

Successfully introducing the working families tax credit will require a great deal of good will and co-operation, not only across the Floor of the House, but among employers. The earlier the draft rules and details can be made available, and the fuller the consultation, the easier it will be for business.

This is not a simple matter, and it is not true that employers will face a simple adjustment to their pay-as-you-earn systems. If the credit is not introduced efficiently and effectively, not only will employers face additional costs, but a stigma will still attach to employees.

For example, two potential employees may be chasing one vacancy, one with the working families tax credit and one without. The one who has the credit on his or her tax code may lose out, because the employer, knowing all the extra costs of administering the new tax credit, prefers to choose the candidate who will not require alteration to the various payment systems.

There are therefore many difficulties ahead in the introduction of the working families tax credit. I urge Ministers to consult business as widely and thoroughly as possible. In the end, as with so much else prepared by the Government, the cost will fall on business if the gains that the Government see in the proposal are to be fully realised.

4.40 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I am pleased to be able to take part in this brief debate. It is important that consultations take place on the working up of the detail of this policy. It is a brand new area of public policy. The Government's intentions are sound, but as Chairman of the Select Committee, I have to say that the detail is not straightforward and simple. The devil will be in the detail. The intention of the policy could be thwarted if we do not get the detail right.

The Government are right to make proper provisions, not only for business. The hon. Member for Sevenoaks (Mr. Fallon) was right. Serious concern was expressed by the Institute of Directors and others about the policy. Consultation is essential. The Financial Secretary will probably be aware that the Select Committee proposes a

third phase of our inquiry into the integration of tax and benefits. We shall look specifically at the implementation phase. If Treasury Ministers and officials can assist in that process, that will be helpful to us. Mr. Martin Taylor, who has done so much of the thinking about the issue, has agreed to come back. If we can resolve all the complicated issues such as who gets the choice within a partnership after consultation, it will be in everyone's interests. They are not easy issues. Sometimes one has to make balanced judgments, but we must not rush the thing. We must get it right if the policy is to be of service to the people whom it is designed to serve.

I want to make a couple of points about House of Commons issues. I am nervous about the Bill. If Ministers introduce spending Bills such as this in anticipation of the approval of the House of the principal policy, they may set a precedent. I am extremely nervous about such a device. It takes for granted the decisions that the House of Commons will take when the principal legislation is introduced. As I have explained, a lot of the devil is in the detail, and if the detail cannot be resolved, the House may conclude, even though it supports the principle, that the outstanding problems are so complex that the principle is not worth pursuing.

It is a bit presumptuous of Ministers to assume that the House will give almost retrospective authority once the money is spent. It cannot be a positive outcome for anyone if we spend £15 million to £20 million of taxpayers' money in advance of the approval of the House and the House withholds its approval by rejecting the Second Reading of the main Bill.

Mr. Fallon: I wonder whether the hon. Gentleman has studied clause 1(2), which gives the Government authority to spend the money whether or not Parliament subsequently approves the principal legislation. That in itself is a considerable innovation.

Mr. Kirkwood: The hon. Gentleman makes the point more effectively than me. I am puzzled because the Minister seems to be shaking her head. My understanding is that the money will start to be spent from Royal Assent of the Bill. A computer system will be bought, applications will be put on to the hardware, and the system will start. If the Bill to introduce the working families tax credit fails to secure a Second Reading in the House, that money will not be recoverable. It will have gone. We had better be clear about this. The House of Commons is spending money in anticipation of the Government's success in getting the legislation through the House of Commons at a subsequent date.

All that I am saying to the Government is that the Bill could establish a precedent that might be available to less sensible Governments. In the wrong hands, ideas of this kind could be dangerous. I want the House and the Minister to understand that we should not give casual approval to the Bill. Such a device could be used for not merely £20 million but £200 million or £2,000 million if it came to it. I want some assurance that the Bill is really necessary.

Why cannot the Government bring forward a supplementary estimate—a device that Governments have used in the past? Perhaps that is difficult for the Government, because the working families tax credit is a new public policy area. If that is the reason for not using a supplementary estimate, why cannot the contingency fund be used to finance the project?

The hon. Member for Sevenoaks was getting confused. He was into the territory of national insurance funds. The Government have control of expenditure from national insurance contributions. The Bill would spend taxpayers' money, which is separate and distinct. If the money is needed—we have listened to the explanations that the Minister has given—I cannot understand why it cannot be raised from the contingency reserve. Such money could subsequently be paid back after the House approved the Second Reading of the principal legislation in the next Parliament.

Lots of things start occurring to me that worry me. Does the Bill produce money for the working families tax credit and no other, or are we devising systems that could be used for future tax credits? The Government have made clear their intention to introduce the working families tax credit, but does the £20 million produce a system that can then be used for other and better purposes, to introduce tax credits of which we have not yet heard? I am not saying that I would be against such tax credits, but I would be concerned if that happened.

It also worries me that the Bill is being introduced so fast. The Queen's Speech is the appropriate vehicle for the primary legislation that will put the substantive system in place. The Queen's Speech will be in October, and the legislation could be on the statute book with Royal Assent by the end of this calendar year. So all that we are winning from the £15 million to £20 million is a few short months. What is the rush? I would much rather take it slowly and get it absolutely right.

The Chancellor is a brave man. He likes to have a reputation for eating problems, and I am in favour of that in certain circumstances, but I would rather take the matter at a pace that was do-able. We should get the policy in place in an intelligible and workable way rather than rush at it, grab £20 million now, rush off to Tottenham Court road, buy a computer system and start beavering away. I should like to think that the process was a little more deliberative than that. I am obviously being facetious to make the point, but the timetable is not set in stone. The Chancellor bravely and grandly announced that the implementation date would be October 1999, but I have to ask questions about whether we should not be more sensible about the timetable.

If the Government came back and said, "We would rather have another six months or a year to get the advantages of the policy, because we are persuaded that we can get it right in that time," they would not have any difficulty from me. The Government should think seriously about that.

I should also like to know a wee bit more about the £15 million to £20 million. The hon. Member for Sevenoaks said, rather grandly, that £20 million does not buy much of a computer system. It is certainly time that we bought some of the benefits offices a better computer system, if that will mean that the benefits are produced in better order. Obviously some training will be required, but we are talking about professional staff and members of the civil service bureaucracy who already know how the systems work. There is not a great deal of difference between staff at the family credit unit at Preston and their Inland Revenue colleagues, so there will be no great culture shock involved in their training, even though it is possible to get quite a lot of training for £15 million to £20 million. It will not, in fact, be possible to do a great deal with that money between now and December,

[Mr. Kirkwood]

which is when there will be a money resolution accompanying the substantive legislation. We need to know more about what the £15 million to £20 million is to be spent on.

We need to be reassured that some of the money will be spent on determining how this brand new policy will affect self-employed people and the business community. We also need to know what the take-up rates will be. I assume that the tax credit will have to be applied for in the same way as family credit, but there has been some misunderstanding of that point: there was a widespread assumption that, because it is a tax credit, take-up rates will automatically be improved because the tax system does not require applications to be made. In addition, we have to make sure that we do not lose some of the advantages of the current family credit system, such as the whole process and edifice of appeals standing behind the family credit system and the six-months carry-over once the benefit is in payment.

All those issues are crucial to the successful introduction of the new policy, and I hope that the Government will hasten slowly in order to get the system right. I am extremely nervous that the Bill is a symptom of the introduction of the policy being rushed. My last point, to return to where I started, is that the Government must be careful not to take the House of Commons for granted by introducing Standing Order No. 50 Bills of this sort. I shall be content only if I get a cast-iron assurance from the Minister that the device will not be used in future, unless it is absolutely essential in the long term for the promotion of public policy. If we get assurances on some of the issues that I mentioned, the Select Committee, too, will be reassured, and we can continue the arguments as the development of the policy unfolds.

4.52 pm

Mr. David Ruffley (Bury St. Edmunds): In our scrutiny of the Bill, we should remember that it is a paving Bill for a piece of legislation that will be introduced later this year. Many of us think that its provisions should have formed part of the Finance (No. 2) Bill, because the working families tax credit was the centrepiece of the Budget statement. When one ponders that, one realises why the Bill is now to be a social security Bill introduced in the autumn: it is because the working families tax credit had an unhappy start, mired in confusion. It is no surprise to Conservative Members to see the Government kicking it into the long grass and deciding to introduce the more detailed legislation later in the year.

That confusion was seen most spectacularly in the recasting of the Red Book numbers, which the Financial Secretary had to announce in a written answer published on 27 March. Hon. Members will remember that tables B5, B8, B9 and B24 in the Red Book were substantially recast as a result of an error, which related to the fact that 0.3 per cent. of gross domestic product was estimated to be the value of income tax credits, whereas the true number produced by the Financial Secretary was 0.8 per cent. of GDP. That was a colossal blunder, in the order of £15 billion over the years to 2002-03. The confusion has not really been cleared away, despite the publication of that written answer, because, as my hon. Friend the Member for Sevenoaks (Mr. Fallon) pointed out, the Office for National Statistics does not appear to be entirely clear about what percentage of the working families tax credit will be scored as negative tax revenue; we do not know whether 100 per cent. will be so scored.

That is a tremendously important issue, and I should like the Financial Secretary to give a specific answer to that question. When the hon. Lady speaks on this technical issue, she always relies on the precedent of mortgage interest relief at source and how that is scored. She fobs off all our questions with words to the effect that MIRAS is the route that we shall take when scoring working families tax credit in the national accounts, but that is not an adequate answer. I should like to know what discussions she, other Ministers, or officials at the Treasury have had with the director of the ONS on that specific question. My hon. Friend the Member for Sevenoaks has asked that question and I asked it in a recent debate, less than two months ago. The debate on the paving Bill is an appropriate time to get a direct answer to that direct, detailed and specific question.

I have a second question that is deserving of a specific and simple response, which is whether the Financial Secretary is minded to accept the recommendation that the Select Committee on Social Security made in its pre-Budget report, that the Government should report annually to Parliament about the effects of any tax forgone arising from the introduction of the working families tax credit. I have asked two specific questions, and we should like to hear two specific answers from the Financial Secretary when she winds up the debate.

When we examine the details of this paving Bill, it is worth asking to what extent the initial expenditure will alleviate the clear and manifold problems that have already been mentioned by my hon. Friend the Member for Sevenoaks, in the context of the burdens, complications and new complexities that will be encountered by businesses—especially small businesses—in their PAYE calculations. It is clear that employers will be under new obligations to check the status of new employees and that they will encounter new complications when calculating weekly or monthly pay packets. I wonder whether the work being done by the Treasury, the Department of Social Security and the Inland Revenue specifically addresses those problems, which are all too apparent to those who bother to look at the issues and talk to business men and businesses, which I am sure the Government do. I wonder to what extent the initial expenditure that will be legitimated by the paving Bill will be helpful to businesses.

I want also to raise the extent to which the Inland Revenue is sufficiently tooled up to handle the child-related issues arising from the payment of tax credits to families. My right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) made that point well during the Budget debate when he said:

> "The Inland Revenue does not know anything about children."—[*Official Report*, 23 March 1998; Vol. 309, c. 67.]

It has no experience of such payments. He pondered the lack of appropriateness of the Inland Revenue getting involved in such a payments system, which we all know is nothing more than an elaborate and highly expensive rebadging of family credit.

The grandiloquent claims made by the Financial Secretary and the Chancellor have not been supported to our satisfaction. I fear that the £15 million to £20 million

of expenditure that is the subject of the paving Bill will do little to alleviate the apparent structural deficiencies in the working families tax credit regime as it was set out in the Budget.

Chief among our concerns is the new stigma that will undoubtedly attach to many claimants of the working families tax credit. *[Interruption.]* If the hon. Member for Motherwell and Wishaw (Mr. Roy) wants to intervene, I shall be happy to give way, but I shall not respond to sedentary interventions.

Mr. Frank Roy (Motherwell and Wishaw): Does the hon. Gentleman accept that for its recipients there is already a stigma attached to family credit?

Mr. Ruffley: I am delighted to respond to that point. I remember that when Lord Lawson introduced family credit in the 1980s, one of the arguments adduced by the then Labour Opposition was that it would be seen as a top-up and used as an excuse by unscrupulous employers to pay low wages. That never came to pass. There is no evidence that a stigma was attached to family credit or that it was used by employers to drive down wages. No serious commentator would accept that.

However, as my hon. Friend the Member for Sevenoaks has pointed out, under the new regime, businesses will receive information to which they ought not to have access.

Mr. Fallon: They do not want it.

Mr. Ruffley: Nor do they want it, as my hon. Friend points out. That is worrying. I have spoken to business men in my constituency, who say that many of their staff, in the pay-roll section and elsewhere, will have direct knowledge of what Mr. Smith, Miss Jones and Mrs. Jones are earning. There is certainly stigma attached to that. This is not a stigma-free measure, as Treasury Ministers would have us believe, but the reverse.

The chief structural problem with the measure, which has already been alluded to, is the purse-to-wallet argument. I have no desire to run around that track again—the arguments are well known and well understood. The questions have been posed many times, but unfortunately the answers are not so well known. I look to the Financial Secretary to provide a simple answer to a question that Conservative Members and independent commentators have been asking for some time. Will the woman partner in a household or family be able to veto any decision on who should receive or claim the working families tax credit?

We have a selection of questions for the Financial Secretary and a genuine concern that the expenditure that is the subject of the paving Bill may not be adequate to tackle the administrative problems that will be faced by businesses and, arguably, the Inland Revenue—the machinery of government issues. We may be permitted to be sceptical about the answer to that point. In that spirit of honest inquiry, I conclude my remarks.

5.5 pm

Dawn Primarolo: I am not sure—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Lady must seek leave of the House.

Dawn Primarolo: I beg your pardon, Mr. Deputy Speaker. I am grateful for your guidance. I seek the leave of the House to reply to the questions put to me by the hon. Members for Sevenoaks (Mr. Fallon), for Bury St. Edmunds (Mr. Ruffley) and for Roxburgh and Berwickshire (Mr. Kirkwood). The hon. Members for Sevenoaks and for Bury St. Edmunds seem unable to agree. One claimed that he was not sure whether we needed the Bill or any of the money involved and the other complained that we had not asked for enough money to do the work.

I listened carefully to the points made by the three hon. Members who spoke, and I shall do my best to respond. The hon. Member for Sevenoaks said that the system should be simple to operate and easy to understand, that there should be no extra burdens on business and that independent taxation should not be breached. I agree. We need to consult about making the system simple to operate and easy to understand, and about the impacts on business, to which the hon. Gentleman and the hon. Member for Bury St. Edmunds referred.

Hon. Members have to understand that they cannot have it both ways. They cannot ask detailed questions and insist on consultation and then not provide the Departments concerned with the tools to conduct the consultation. We need the paving Bill because the expenditure is outside the currently agreed vote for those Departments, and we need parliamentary agreement to authorise the work to develop the tax which hon. Members and the Government clearly want to be conducted. By introducing the paving Bill, we are following the correct legislative route for the somewhat unusual circumstances whereby two Departments are required to work closely together.

Mr. Fallon: The hon. Lady is responding to the point made by another hon. Member, and by me. Our query is not with the paving Bill. I understand that the hon. Lady does not have the authority within the Department's current vote to incur this expenditure. Our query concerns the fact that nothing in the Bill makes it dependent on subsequent legislation. Clause 1(2) says that the powers

"shall be exercisable whether or not Parliament has given any approval".

We want to establish that this is not a paving Bill because there is nothing in it to limit the expenditure to subsequent approval by Parliament through another Bill.

Dawn Primarolo: The paving Bill will provide for the two Departments to spend money to conduct the necessary development work for the introduction in the next Session of legislation to enshrine in detail the workings of the working families tax credit. That money would be subject to exactly the same accountabilities, through the accounting officers, as is all expenditure through any Government Department.

The hon. Member for Sevenoaks is trying to turn this into a chicken-and-egg argument. How are we to ensure that the legislation is drafted to the high standards that we all want, having answered the questions that have been raised relating to business and individuals, if we are not to be given authority to conduct the work? If it fell inside the current vote application of the Inland Revenue, the paving Bill would not be required, but it is, because it is about accountability of expenditure through Departments.

[Dawn Primarolo]

The Bill is not a devious tactic by the Government; it is necessary to allow Parliament to give its authority to spend the money.

Several questions were asked about—

Mr. Fallon: Will the hon. Lady give way?

Dawn Primarolo: No; I want to answer the questions that have been asked in this short debate. There will be other opportunities for discussion in Committee and on Report.

A series of questions was asked about which member of a couple would receive the tax credit. The hon. Member for Roxburgh and Berwickshire asked about that in an intervention, and I apologise if I did not give a clear enough answer; I shall try again. I believe that the hon. Gentleman is aware of the family credit form and knows that family credit need not be paid to the woman; the order book may be cashed by either partner. Therefore, we have said that the couple can choose to which partner the tax credit is paid.

We were asked what would happen if there was a disagreement. At this stage, our answer is that, when a couple cannot agree, the presumption would be that the credit would normally be paid to the partner who mainly cared for the children. Fifty-seven per cent. of main earners receiving family credit are women, and women are 60 per cent. of wage earners in the families that receive family credit. The fact that the problem has been grappled with in the family credit system has helped us to refine points about what we shall do when there is a disagreement. Consultation is now necessary to ensure that the principle is carried into practice.

Mr. Kirkwood: I know that this is difficult territory, but I was asking a slightly different question—about whether marriage made a difference.

Dawn Primarolo: I was coming to that point. The hon. Gentleman asked whether cohabiting couples will have the same choice as married couples of which partner receives the working families tax credit; the answer is yes. I should have used a much shorter answer last time.

I make it clear to the hon. Members for Sevenoaks and for Bury St. Edmunds, who asked a series of questions about employers, that employers will not collect the information. Employees will claim from the Inland Revenue. The Revenue will inform the employer of how much working families tax credit is payable. The employer will not have to calculate the working families tax credit and will not be told separately of the number of children or the partner's income. I have said that repeatedly, as clearly and succinctly as possible.

Mr. George Mudie (Treasurer of Her Majesty's Household): Beyond peradventure.

Dawn Primarolo: Beyond peradventure.

Questions were asked regarding employers' cash flow. I can tell the hon. Member for Sevenoaks that procedures are already in place to deal with similar situations regarding statutory sick pay and statutory maternity pay. Obviously, we need to consult employers to discover whether similar procedures would be appropriate for the tax credit, and how best to administer payments in those circumstances. That is another example of the need for the paving Bill.

The hon. Member for Sevenoaks asked why, as two Bills were necessary, we could not have passed the Bill last year. We could not have done so last year because the Chancellor's firm decision on the working families tax credit was announced in the Budget on 17 March 1998. The Bill before us was the first opportunity to proceed. It will allow us to do the preparatory work. I should also explain that the Finance Bill is not the vehicle; the Finance Bill is limited to measures that raise revenue, or that are associated with their administration. Frankly, I thought that everyone in the House understood, especially experienced Members of the House, and especially one hon. Member who has been advising the Treasury and another who is now a Treasury spokesperson.

Mr. Fallon: Will the hon. Lady give way?

Dawn Primarolo: I shall make this point on the Office for National Statistics before I give way.

A question was asked about the Office for National Statistics and classifications. Necessary discussions are continuing with the Office for National Statistics. Hon. Members may think that it is undesirable that they have not concluded, but the difference between the Conservative Government, who were defeated, and ours, who were elected, is that we genuinely engage in consultation and seek to achieve agreement.

Mr. Ruffley: Will the hon. Lady give way?

Dawn Primarolo: I give way to the hon. Member for Sevenoaks, to whom I said that I would give way.

Mr. Fallon: The hon. Lady has moved on from the subject that I wanted to ask her about. We were not the only ones who said that these measures should have been in the Finance Bill—she did. She said in a press release that the Finance Bill would

"take forward the 1998 Budget measures to reform the tax and benefit system".

It is no use if the hon. Lady says, "We do not know what should be in the Finance Bill." That was a quotation from her.

Dawn Primarolo: The hon. Gentleman does not really want to know why we need a paving Bill, and what the working families tax credit would do. He constantly claims to support it, then finds reasons to knock it down. During the debate, I have tried to be as clear as I possibly can be at this stage in the development of policy, and to be open with the House about the current position. I have answered the questions, in particular about the issues that are being raised by—

Mr. Ruffley *rose—*

Dawn Primarolo: I shall not give way. I hope that the hon. Gentleman will allow me to make progress. He had

plenty of time to speak, and he made his arguments. He demands the answers to questions and then does not want to wait for the answers.

The expenditure that is requested in the paving Bill is to cover the costs of preparing to introduce the working families tax credit and the disability tax credit, with the authority of Parliament, when that piece of legislation passes. It covers, mainly, information technology changes; the provision to the public of information about the new tax credits; the advertising that might be necessary; how we ensure proper take-up of the working families tax credit; and the development of consultation with interested agencies and consultation on the business process side and on the training of staff.

Mr. Kirkwood *rose—*

Dawn Primarolo: I shall give way to the hon. Gentleman in a moment. Hon. Members appear to be saying that we have not asked for enough money. We are confident that we have asked the House for the money that we need to develop this proposal.

Mr. Kirkwood: I understand that the Minister is trying to be helpful, but I am filled with apprehension if she is saying that she proposes to advertise the merits of the benefit publicly before the House has a chance to approve it. That is what I understood her to say.

Dawn Primarolo: If I have given that impression, I am grateful to the hon. Gentleman for pointing it out. I was speaking about the development work to ensure proper take-up. In his encouraging and helpful contribution, the hon. Gentleman mentioned the need to deal with take-up. We must do that now. He also asked why we needed the paving Bill, and cautioned against taking the House of Commons for granted. I entirely agree.

I explained that, because the matter is outside the vote of the two Departments, the Bill is necessary. The expenditure arises from the working families tax credit and disabled persons tax credit, but the work will assist the Departments. It will be a learning experience for them in various respects, particularly in working closely together and examining how they administer their respective systems.

The hon. Members for Sevenoaks and for Bury St. Edmunds suggested that it might be helpful if the Treasury reported annually to Parliament on the tax forgone as a result of the working families tax credit. That was part of the recommendations of the Select Committee on Social Security chaired by the hon. Member for Roxburgh and Berwickshire.

The Government will shortly respond in the proper way, as would be expected, to the Select Committee report and recommendations. We recognise the importance of keeping Parliament fully informed. The cost of the tax credits has already been published, and the tax forgone because of the working families tax credit will likewise be published.

Mr. Ruffley: Will the hon. Lady give way?

Dawn Primarolo: No.

Mr. Ruffley: She is running scared.

Dawn Primarolo: In replying to the debate, I am not interested in responding to the silly little points made by some Opposition Members in order to disrupt the business. I am interested in explaining to the House why we require the paving legislation, why the consultation is necessary, and how we shall then be able to answer even the questions of the hon. Member for Bury St. Edmunds, if he will just be a little more patient and open-minded. I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

Motion made, and Question put forthwith, pursuant to Standing Order No. 63 (Committal of Bills),

That the Bill be committed to a Committee of the whole House.—*[Mr. Jon Owen Jones.]*

Question agreed to.

Committee tomorrow.

TAX CREDITS (INITIAL EXPENDITURE) BILL
[*MONEY*]

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a),

That, for the purposes of any Act resulting from the Tax Credits (Initial Expenditure) Bill, it is expedient to authorise the payment out of money provided by Parliament of any expenditure incurred under the Act.—*[Mr. Jon Owen Jones.]*

Question agreed to.

Police (Northern Ireland) Bill

As amended (in the Standing Committee), considered.

Clause 2

GENERAL FUNCTIONS OF THE POLICE AUTHORITY

5.23 pm

The Minister of State, Northern Ireland Office (Mr. Adam Ingram): I beg to move amendment No. 1, in page 1, line 16, leave out 'civilian' and insert 'police service'.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this, it will be convenient to discuss the following amendments: No. 39, in page 1, line 18, leave out 'Service' and insert 'Department'.

No. 40, in page 1, line 20, leave out 'Service' and insert 'Department'.

Government amendments Nos. 4 and 28 to 31.

Mr. Ingram: For ease of reference I propose to deal first with Government amendments Nos. 1, 4 and 28 to 31, then I shall deal with amendments Nos. 39 and 40, which have been tabled by the hon. Member for Harrogate and Knaresborough (Mr. Willis).

The House will be aware that the word civilian is used to describe staff who are employed in support of the police. The term currently used in the Bill is correct, and it is used for the same purpose in the Police and Magistrates Courts Act 1980, but in view of the particular significance of language in Northern Ireland I accept that further clarification might be desirable.

The matter was raised on 12 February 1998, *Official Report, Standing Committee B*, column 52, by the hon. Member for Newry and Armagh (Mr. Mallon), who pointed out that the clause as drafted implies that members of the police force and traffic wardens are not civilians. That is clearly not the case. Although I believe that most people in Northern Ireland will recognise the distinction that use of the term civilian seeks to make, there is scope for further clarification.

Having considered the hon. Gentleman's comments in Committee and consulted the parliamentary draftsman, I have concluded that the phrase "police service staff" more accurately reflects the situation. It is important that everyone realises that all those who work in the Northern Ireland police service, both Royal Ulster Constabulary officers and the staff who assist them, are civilians. The amendments that I have tabled simply seek to reinforce that point, and I commend them to the House.

Amendments Nos. 39 and 40 would change the name of the new single service that the Bill creates to the Northern Ireland Police Department. The amendments were originally tabled for consideration in Committee by the hon. Member for Montgomeryshire (Mr. Öpik), who usually speaks for his party on Northern Ireland issues. We send our best wishes to him after his rather serious accident. We know that he is doing his best to get well enough to return to the House and make his contribution and that he regrets having missed the debate, but I am sure that the hon. Member for Harrogate and Knaresborough will do full justice to the argument that he would have advanced.

Although the hon. Gentleman was not a member of the Committee, his amendments were moved and fully discussed on 12 February 1998, *Official Report, Standing Committee B*, columns 90-100. They were rejected when the Committee divided.

When I addressed the Committee on the matter, I reported that I had received strong representations from many quarters in Northern Ireland about the importance of introducing a service ethos into the police. I remind the House that the Police Authority and the police staff associations were particularly keen to see the word service appear in the Bill.

I know that the hon. Member for Harrogate and Knaresborough will appreciate that the detail of language is particularly important in Northern Ireland. I hope that he will understand, therefore, when I again say that I am not prepared to accept the amendments. Perhaps that is a little presumptuous as I have not yet heard his eloquent argument in support of them, but the matter was fully considered in Committee. I emphasise that the Police Authority and the bodies that represent police interests in Northern Ireland were keen for the concept of service to be written into the Bill.

To recap, both sets of amendments deal with details of language. The time that we have spent on them in the House and in Committee testifies to the importance of the terms used in policing in Northern Ireland. The aim of the Government in introducing the changes that I have just described in amendments Nos. 1, 4 and 28 to 31 and in resisting amendments Nos. 39 and 40 is to emphasise that the RUC and those who work alongside it together constitute a civilian organisation, which continues to serve the community in Northern Ireland efficiently and effectively.

Mr. Phil Willis (Harrogate and Knaresborough): It is remarkable to hear the response to the amendments before the argument in support of them has been presented. Many right hon. and hon. Members want to be on their planes and trains fairly early tonight, so I shall be as brief as I can in speaking to the amendments in my name.

I thank the Minister for his comments about my hon. Friend the Member for Montgomeryshire (Mr. Öpik), who I can report is making a slow and painful recovery. I shall pass on the Minister's remarks.

Amendments Nos. 39 and 40 may seem cosmetic to many people—particularly those on mainland Britain. I take the Minister's point about the use of language in Northern Ireland: it is very important. It is difficult for people who do not have Northern Ireland connections to understand how important a single word can be when relaying a particular message.

5.30 pm

This Bill establishes a new era of policing in Northern Ireland. The Liberal Democrats and their sister party in Northern Ireland believe that every attempt should be made to get the substance and the symbolism right. Symbolism is often as important as substance in terms of conveying the correct message. On Second Reading, my hon. Friend the Member for Montgomeryshire said that a large section of the community has little faith in the current policing arrangements in Northern Ireland. He pointed out that that was not a criticism of RUC officers or police personnel, but a statement of fact. In reality,

every police force in the United Kingdom—I do not care whether it is the Metropolitan police or the police force in North Yorkshire—has some concerns and some officers who do not attain the expected standards.

My hon. Friend said that merely changing the name of, or reforming, or even revolutionising the RUC would not lead those who have no faith in that organisation suddenly to change their view. The Chief Constable, Ronnie Flanagan, made that point very effectively in an important article that appeared in the *Belfast Telegraph* on 30 April. He said:

"To be properly effective it must be conducted as a truly collaborative effort between police and the communities they exist to serve rather than being simplistically considered as something which a provider 'delivers' to a consumer."

The argument about the use of the word service is summed up by Ronnie Flanagan's comments: the police do not simply provide a service to the consumer but are integral to the future of Northern Ireland.

It will be a small, but we believe significant, step to change the name from service to department. The Bill contains several vital steps, but that is important also. The new title for the police service in Northern Ireland is one of the most important symbolic steps that we can take. That is why we hope the Minister will reconsider, even at this late stage.

We believe that the Northern Ireland Police Service—which will be known as NIPS—is the wrong title and will send the wrong message. The assistant Whip, the hon. Member for Leeds, East (Mr. Mudie), laughs about that. The Minister must recognise that that abbreviation is asking for trouble. NIPS has dubious overtones which will cause, at best, mirth and derision and, at worst, offence. The abbreviation is also the same as that of the Northern Ireland Prison Service, which—rightly or wrongly—has a negative association with the past troubles in Northern Ireland.

We propose to create an inclusive Northern Ireland police department, the NIPD. That title has no negative connotations, a very modern ring and perhaps a cross-Atlantic theme. The Government have done much to create a new agenda for Northern Ireland and policing is at its heart; they must not, for the sake of such a small concession, give the new police arrangements a title that may be the object of derogatory comment and association. We ask the Minister to reconsider.

Mr. Seamus Mallon (Newry and Armagh): I welcome the Government's amendments. It is crucial that the term civilian is defined properly—especially in view of what has happened in the north of Ireland in the past and what we hope may happen there in the future.

A certain ethos underlines the new agreement that is now known as the Good Friday agreement. That ethos is based on agreement and does not derive in any sense from force, whether legitimate or paramilitary. For that reason, I believed in Committee—as I do now—that it is right to make that distinction and to define the police service as being part of civilian life.

I suppose that one could be churlish and argue about the name. I am particularly attracted to the title Northern Ireland Police Service. I have lived in Northern Ireland all my life and I have never heard the Northern Ireland Prison Service referred to as NIPS—although I have heard it called many things, some of which I would not repeat in the Chamber. I believe that the effect of the Liberal Democrat amendments would be rather confusing. They would create a Northern Ireland Police Department, so the Bill would refer to that as well as a Northern Ireland Police Service and a Northern Ireland police force. I believe that we should try to ensure that the term service and its meaning are the overriding factors not just in the ethos of policing but in the way in which the police service reflects what I believe will be a new attitude in all sections of the Northern Ireland community.

The Bill does not go as far as I would like—but I did not think it would. With some confidence, I anticipate that, as we proceed down the road to agreement, which is what we shall do, and to peace, which is what we shall certainly achieve, the attitude within the community, the police service and the administration of the police service will move inexorably and consistently towards the concept of service as opposed to the concept of force. For that reason, I believe that the Government's amendments are very welcome.

Rev. Ian Paisley (North Antrim): I am sure that the hon. Member for Newry and Armagh (Mr. Mallon) has noticed that the term police force is used in the Bill. Shall we argue about mere names or shall we go to the heart of the issue: the attempt in this Bill to do away with the name of the Royal Ulster Constabulary? That is the real push behind the Bill and that is why it is before the House.

We have an agreement the hon. Gentleman says will bring peace. I do not know how releasing, after 24 months, people who were sentenced to two, three or four life sentences and allowing them to keep their arms will bring peace. That seems a strange way of achieving it. The vast majority of people in Northern Ireland think that the Government are being dishonest. They are not telling the people that the Royal Ulster Constabulary is being axed and will be replaced by the Northern Ireland Police Service. That is the thrust of the Bill, and that view was expressed from these Benches last time we discussed the matter.

Unlike other hon. Members, I do not have to catch a plane tonight. I was told that consideration would continue all night, so I made the consequent arrangements. I must apologise for the absence of my hon. Friend the Member for Belfast, East (Mr. Robinson), who served on the Committee. He had to take an early flight back to Northern Ireland as every later flight is booked—and I can understand why. Many people have asked me why I am here today. I am doing what I was sent to do: to oppose the Bill. I shall do that tonight.

Mr. Ingram: The hon. Member for North Antrim (Rev. Ian Paisley) uses the word oppose, but that is nothing new. Many people believe that that is the way he approaches any elements of progress that appear on the horizon and on which the majority are agreed. That is his democratic right, but there is nothing new in his advising that that is his function this evening.

The hon. Gentleman referred in passing to the use of the term police force. All of us who are associated with a police service would like the word force to be removed, but it occurs throughout a range of legislation and removing it would require much primary legislation. The import of the Bill is that throughout the United Kingdom what in the past has been known as a police force has

[Mr. Ingram]

now become accepted as a police service. The amendments ensure that the Bill goes a little further in recognising the concept of the civilian element of the police service in its totality, including those who serve as constables and those who act in support of them.

The hon. Gentleman raised a number of issues about the Government's intention about the future of the RUC. I hope that he will accept it when I say that the RUC will remain. It will not be abolished. As recently as yesterday, the Prime Minister made that commitment yet again. The RUC will continue to serve all the people of Northern Ireland.

Rev. Ian Paisley: What will the commission do?

Mr. Ingram: The hon. Gentleman has had his opportunity to comment, but he is trying to extend the debate. He may have an opportunity to speak again on later groups of amendments. We can have a reasoned debate, but I shall not respond to shouted interventions. That may be how the hon. Gentleman wishes to operate as a democrat in Northern Ireland, but it is not the custom or the best manners that are expected in this House.

The remarks of the hon. Member for Newry and Armagh (Mr. Mallon) were welcome. I recognise his acceptance of the Government amendments although he does not believe that they go far enough. However, I am used to that from the hon. Gentleman. When I hear him say that he totally accepts everything that has been said, it will be a major achievement. Perhaps we are only a short way from that on this occasion.

That brings me to the point made by the hon. Member for Harrogate and Knaresborough (Mr. Willis). Amendments Nos. 39 and 40 seek to change service to department. In Scotland, a nip is a whisky. It does not have a pejorative sense there and, because of the Scots-Irish connection, in some parts of Northern Ireland it may be used in the same way, so the acronym NIPS would not be viewed so critically.

The essential point is that it is wrong that those who serve as constables and those who work in support of RUC officers are seen to be different from a department. That is why we have included the word service in the generic title for all those who work in the RUC and in support of it. As I said in my opening remarks, it is because of representations received from those who represent the interests of the RUC, and because the Police Authority wants the word service and the concept of it in the Bill, that we developed the matter in this way. On that basis, I hope that it will be a success.

The matter was debated extensively in Committee. There was a Division and the amendment was comprehensively defeated. If it goes to a Division tonight I expect that it will be comprehensively defeated again.

Rev. Ian Paisley *rose—*

Mr. Deputy Speaker: Order. The hon. Gentleman cannot speak a second time on one group of amendments on Report.

Amendment agreed to.

5.45 pm

Mr. Willis: I beg to move amendment No. 54, in page 1, line 20, after 'is', insert 'impartial.'.

Mr. Deputy Speaker: With this, it will be convenient to discuss the following: Government amendments Nos. 2, 3 and 6 to 15.

Amendment No. 57, in clause 17, page 9, line 24, leave out from 'Authority' to end of line 26 and insert

'may consult the Secretary of State over the plan and consider such amendments to that plan as the Secretary of State may suggest.'.

Government amendments Nos. 16 and 17.

Amendment No. 60, in clause 19, page 10, line 45 at end insert

'and shall consult with the Police Authority during the implementation of that plan.'.

Government amendments Nos. 20 to 24.

Mr. Willis: I apologise, Mr. Deputy Speaker, for not fully understanding the rules of the House on Report. I shall take the matter up with my Chief Whip.

I also apologise to the hon. Member for Leeds, East (Mr. Mudie) for referring to him as the assistant Whip, when in fact he is the Deputy Chief Whip. No doubt he will be able to buy me a nip on the way home.

Amendment No. 54 and the string of amendments taken with it are perhaps the most significant of those tabled today. It was interesting to read the Committee's proceedings during the first couple of days, when the need for the term "impartiality" was stressed by virtually every hon. Member. In fact, it became the key word in the Committee's early deliberations.

There was, too, a consensus that we must never return to the abuses of the earlier Stormont regime, particularly the politicised policing. Again, the Committee appeared united on that. That is why impartiality must be the prime criterion for building confidence and judging the success or failure of the Bill.

The hon. Member for North–East Cambridgeshire (Mr. Moss) moved the amendment in Committee, and, to a degree, the Minister accepted the principle of impartiality. However, the Minister's response was that it would be difficult to test impartiality in the courts. He made exactly that point at column 46 of *Hansard* on 12 February 1998, when he said that the Government were dismissing the issue of impartiality because it would be difficult to enforce in the courts.

That is the point of the amendment. The very basis of the Bill is that impartiality should be seen as its most important element, and that, if necessary, it should be tested in the courts. That, ultimately, is where any Bill is tested. Compared with the words "efficient" and "effective", the word "impartial" has much greater significance. It is possible to test effectiveness and efficiency in the courts, but not impartiality.

The previous Government's White Paper, which was discussed extensively in Committee, went a long way to enshrining the view that legislation should require police officers to uphold the law impartially, and that that should be capable of being challenged, either by the new ombudsman or through the courts. I presume that, before

that White Paper was produced, the previous Government sought a legal opinion on enshrining in law the requirement that an officer's conduct be impartial.

The proposal was welcomed by the Police Authority and by almost all members of the Committee, but rejected by the Government on the basis of not principle but its enforceability in law. The Government are wrong. Impartiality may be a difficult term to frame in legislation, but it is surely one worthy of the Government's best efforts.

Mr. Malcolm Moss (North–East Cambridgeshire): Amendment No. 60, in my name and those of my hon. Friends, relates to clause 19, but it is similar to an amendment to the clause which was discussed at length in Committee. Clauses 9, 10, 11 and 12 all deal with financial matters relating to the funding of the police service through grants to the Police Authority, the keeping of proper accounts, and accountability to the Secretary of State and the public for the expenditure.

The original amendment dealt with novel and contentious equipment. The Minister rejected that at the time on the ground of definition. The purchase of equipment, which we shall discuss later, and the reporting of the Chief Constable to the Police Authority are extremely important.

Clause 17 gives the Police Authority responsibility for establishing an annual policing plan. Although the plan is originally provided in draft form by the Chief Constable, it goes to the Police Authority, which can either adopt it in the form in which it is submitted or amend it after consultation with the Chief Constable. Ultimately, however, the Police Authority takes ownership of the policing plan, and it then comes into the public domain and is transparent for the public to witness.

The Committee debated clause 19 for four and a half hours, allowing half an hour's break for a vote. It was an incredibly long debate, mainly on clause stand part and the amendment in question, and throughout the Minister refused to give way.

However, the Police Authority still feels strongly about that matter. Notwithstanding the contingencies that will have been appropriately built into the policing plan so that the Chief Constable's operational independence and ability to act quickly are not placed in jeopardy, the Police Authority feels that, if a Chief Constable seeks to change the plan during the year of its implementation, it is important that he consults the authority. After all, it will have endorsed, published and taken ownership of the plan.

Amendment No. 60 deals with consultation during the plan's implementation. It seeks to insert in the Bill a requirement for the Chief Constable to say to the Police Authority, "Something extremely serious has happened; this is what I am doing." The Police Authority is then not only informed quickly but has the ability to consult. There may be disagreement, but ultimately we back the Chief Constable's right to make the final decision on operational matters. The authority is still concerned that decisions may be taken without reference to it, which places it in an invidious and difficult position in its relations with the public.

Mr. Ken Maginnis (Fermanagh and South Tyrone): Our consideration of the Bill in Committee was a long and laborious exercise. The Minister probably hopes that we shall not have the same number or length of interchanges this evening.

It would be churlish not to recognise that, despite their apparent intransigence in Committee, the Government have taken on board a considerable number of our proposals. When we contested the Bill in Committee, our intention was to ensure that the role of the Police Authority for Northern Ireland was not diminished. Whatever our experiences before 1970 and subsequently—different people have different perspectives—we were determined that there should never again be an open-ended arrangement whereby political control or influence could be exercised on the Royal Ulster Constabulary without proper scrutiny. We fought for no more and no less than that.

At times, I may not have been as pleasant to the Minister as I might have been. On this occasion, I make amends—

Mr. Gerry Sutcliffe (Bradford, South): Grovelling.

Mr. Maginnis: Grovelling, indeed.

We now have a recognition of the Police Authority's role. This is where my little addendum comes in: I hope that the Minister will see the good sense of completing the job that he undertook in the wake of the Committee stage, and will recognise, as the hon. Member for North-East Cambridgeshire (Mr. Moss) said, that there is merit in giving the Police Authority the right to be consulted by the Chief Constable. Clause 19, which says:

"In discharging his functions, the Chief Constable"

has an obligation

"to have regard to the annual policing plan issued under section 17",

should also say:

"and shall consult the Police Authority during the implementation of that plan."

The amendment places no great burden on the Chief Constable. He is simply being asked to ensure that those who stand between him and the public at large—those who represent the public but have an interest in the RUC and its welfare—are kept informed. The amendment is small but significant, and would round off the efforts that the Minister and his Department have made to take on board the issues raised in Committee.

Mr. Andrew Hunter (Basingstoke): I want to speak briefly in support of amendment No. 60, without making a passing reference to amendment No. 59. My hon. Friend the Member for North–East Cambridgeshire (Mr. Moss) reminded us that the longest single debate in Committee focused on clause 19. Amendment No. 60 differs from the controversial amendment proposed in Committee, but its underlying purpose is not dissimilar. Like amendment No. 81, it seeks to redress a perceived imbalance in the tripartite structure, and, in so doing, to enhance the role of the Police Authority.

Hon. Members are aware that clause 19 provides, first and foremost, that

"The police force shall be under the direction and control of the Chief Constable"

and that

"the Chief Constable shall have regard to the annual policing plan issued under section 17."

[Mr. Andrew Hunter]

Conservative Members still have problems with the clause. We believe that the concept "shall have regard" is inadequate. The annual policing plan is the property of the Police Authority. It is one of the means—perhaps the main means—whereby people will judge whether the authority is successfully securing an efficient and effective police service in the Province.

It is the Chief Constable's responsibility to deliver the policing plan. He puts into practice the authority's priorities, and seeks to achieve its performance targets and objectives. He must have operational independence in day-to-day policing, but he is tasked with the responsibility of implementing the authority's annual plan.

In Committee, the Government accepted amendment No. 79, which was tabled by the Opposition. The Under-Secretary said:

"It recognises that the authority is keen to become more involved in strategic planning and accordingly requires the Chief Constable to take account of the objectives and priorities of the authority."—[*Official Report, Standing Committee B*, 3 March 1998; c. 224.]

Amendment No. 60 would have a not dissimilar effect. The authority would have a consultative role as the strategy of the annual plan was implemented. The amendment is therefore consistent with the Government's thinking on other aspects of the Bill.

6 pm

Whether or how the Chief Constable implements the annual plan is a matter of concern to the authority, and legitimately so. Without remotely compromising the Chief Constable's operational autonomy, the authority will want to discuss the implementation of its strategy, and any Chief Constable worth his salt will want to discuss with the authority how he is implementing the strategy.

In Committee, we debated amendment No. 81 at great length—it annoyed and irritated Ministers somewhat. It required the Chief Constable to consult the authority if he deviated substantially from the annual policing plan. Ministers argued that, in those circumstances, the operational independence of the Chief Constable would be undermined. Amendment No. 60 would not do that, by any stretch of the imagination. It merely requires that the Chief Constable

"shall consult with the Police Authority during the implementation of that plan."

That is an entirely reasonable proposition.

In Committee, the hon. Member for Fermanagh and South Tyrone (Mr. Maginnis) expressed our fears when, with some hyperbole, he said:

"It seems that everything in the Bill is designed to derogate from the responsibility that the Police Authority should have. Its authority is being reduced and its powers handed directly to the Secretary of State."—[*Official Report, Standing Committee B*, 3 March 1998; c. 247.]

I emphasise that we are not trying to impinge on the operational independence of the Chief Constable, but operational responsibility must be exercised within parameters set by the Secretary of State, the Chief Constable and the authority. Each has a proper role to play. We argue that the Bill does not assign them their proper roles. The amendment would achieve a proper role for the authority, which would be consulted by the Chief Constable during the implementation of the annual strategy.

Rev. Ian Paisley: From his reply to my previous speech, the Minister evidently thinks that there is some rule of the House under which English, Welsh or Scottish Members can make sedentary interventions, but that right is refused to Northern Ireland Members.

I draw attention to something that has to do with this and all amendments. The Minister told the House:

"The proposals in the Bill are not designed to preclude discussion of policing in the talks. Indeed, the Government have given an undertaking that any agreement reached in the talks on the issues covered in the Bill will be taken on board during the passage of the Bill, if that is practicable. If not, they will be implemented at a later stage."—[*Official Report*, 15 December 1997; Vol. 303, c. 46.]

The Minister well knows that a commission is recommended to be set in place to consider policing. Does he think that the people of Northern Ireland will listen to him, when he and the Prime Minister state categorically to one side of the community that there will always be a Royal Ulster Constabulary and that it will never be changed, but then say something, tongue in cheek, to the other side of the society, so that they can say, "Yes, there will be great changes, and the RUC will eventually be done away with"?

Who are we to believe? We do not know what the commission will recommend. It may recommend things that are not before us tonight. In respect of the amendment, it will probably want to say something about police impartiality, and we do not know what will happen when it gives its decision.

I agree with those who have said that people have a great fear that the Police Authority for Northern Ireland, as civilians considering the police force, will not have proper authority. There have already been changes in the authority, which have set alarm bells off in certain sections of the community. The freedom of the Chief Constable to do his operational duty must not be impinged on, and the authority must be recognised and its place honoured. That is the force of the argument in the amendments.

Mr. Ingram: I shall deal first with amendment No. 54, which was moved by the hon. Member for Harrogate and Knaresborough (Mr. Willis), and then with Government amendments Nos. 3, 17 and 20. I shall then cover Government amendments Nos. 6 and 7; Government amendment No. 2; Government amendments Nos. 8 to 14; amendment No. 57, which was tabled by the hon. Member for Harrogate and Knaresborough; Government amendments Nos. 15 and 16; amendment No. 60, which was tabled by the hon. Member for North-East Cambridgeshire (Mr. Moss); Government amendments Nos. 21 to 23; and Government amendment No. 24. I have set out that structure because we are dealing with subsets of the same general issues, and I want to deal with the arguments in what I hope will be a logical manner.

We had seven debates in Committee and discussed at length a number of amendments that were designed to ensure that the policing of Northern Ireland would be required by statute to be conducted impartially, as the hon. Member for Harrogate and Knaresborough said. Some were Government amendments; they have been incorporated into the Bill.

I rejected an amendment similar to amendment No. 54 because the term "impartiality" does not have meaning in statute and therefore adds no genuine safeguard to the fairness and even-handedness of policing in Northern Ireland. Amendment No. 54 sets forth a similar provision: its inclusion could be held to fetter the discretion of a constable—the operational officer on the ground—in performing his duty. I believe that those objections remain valid.

However, it was clear from the tone and the weight of the debate in Committee that there was still concern surrounding the issue, and I promised to reconsider it with a view to introducing further changes. I have considered the matter further and believe that I have found a formula that will avoid problems with the specific legal definition of the word "impartiality", but will ensure that statute clearly states that Northern Ireland be policed impartially. That is why I am introducing an amendment to clause 37—Government amendment No. 20—which will require the statement of policing principles issued by the Secretary of State under that clause to include within it the principle that Northern Ireland be policed impartially. I am also introducing Government amendments Nos. 3 and 17, which will require the Chief Constable and the Police Authority to have regard to that statement of principles.

On 12 February, during the second sitting of the Committee—at columns 37 to 51—Government amendments were introduced, which made the Police Authority and the Chief Constable subject to section 19 of the Northern Ireland Constitution Act 1973. That outlaws discrimination by either on the grounds of religious belief or political opinion. I believe that those changes, combined with the Government amendments that I have just described, represent a robust framework for ensuring the impartial policing of Northern Ireland in the future. I commend those amendments to the House and ask hon. Members to reject amendment No. 54.

I shall now deal with Government amendments Nos. 6 and 7. In Committee, there was considerable discussion of clause 10(2)—at column 206 of the seventh sitting. I explained at that time that the purpose of requiring the Chief Constable to send a draft of his estimates to the Secretary of State, as currently required by clause 10(2), was to ensure that the Government received the information necessary to proceed with planning for the next financial year in good time. I was conscious at that time that the Police Authority for Northern Ireland had some concerns that a formal requirement for the Chief Constable to send an estimate to the Secretary of State at such an early stage in the financial cycle, and simultaneously with his dispatch of an estimate to the Police Authority, undermined the Police Authority's role as the body primarily responsible for police finance. I understood that argument.

My view is that the authority's position is effectively safeguarded by clause 10(1), which ensures that it is the authority, and the authority alone, which submits the final estimate to the Secretary of State for the overall funding of policing in Northern Ireland. I believe that the authority's strong representations are based on an unfounded premise, but I have taken them on board, together with the concerns that it has continued to raise in advance of Report stage, that the Bill could be represented by those hostile to it as undermining the authority's position in relation to the overall funding of policing in Northern Ireland. That point was raised in Committee by the hon. Member for North-East Cambridgeshire.

I have, therefore, considered the matter further, and held consultations with the Police Authority. We are seeking to put in place other, agreed mechanisms for ensuring that the Secretary of State receives the information required for the Government financial cycle. The Police Authority is co-operating fully with us in constructing those mechanisms. That being the case, I am happy to remove from the Bill the requirement for the Chief Constable to send a copy of his estimates to the Secretary of State. I commend amendments Nos. 6 and 7 to the House.

6.15 pm

I shall now deal with Government amendments No. 2 and 8 to 14. The House will be aware that the objective setting process has, ahead of the introduction of legislation, been operating successfully in Northern Ireland for the past two years. The practice has been that the Secretary of State, in establishing her policing objectives, also sets performance targets commensurate with those objectives. In the drafting of the Bill, the intention is that that practice will continue.

As the Under-Secretary of State, my hon. Friend the Member for Clydebank and Milngavie (Mr. Worthington), said in Committee—in the fourth sitting on 24 February, at column 113—the practicalities of the process of objective setting are identical in England and Wales, and Northern Ireland. However, the drafting of the legislation is different. That is because, in England and Wales the Home Secretary is dealing with 43 police authorities, and might wish to set different targets for different authorities. The Police Act 1996 allows the Home Secretary to direct police authorities to set performance targets. Because we have only one authority at present, the Northern Ireland legislation simply allows the Secretary of State to set performance targets in relation to her objectives.

We had considerable discussion—

Mr. Maginnis: I do not want to nit-pick with the Minister, but he said that we have one police authority at present. That phrase will be picked up and misunderstood. Will the Minister, at this early stage, clarify exactly what he means, or was that merely a slip of the tongue?

Mr. Ingram: It was not a slip of the tongue. We are consulting on the mechanisms dealing with this matter. I do not envisage there being more than one police authority in Northern Ireland, but if the democratic voice within Northern Ireland wanted a different mechanism, any Government would have to take that on board. I am not predicting that as a possibility or eventuality, because I do not see that.

I was present last evening when my right hon. Friend the Prime Minister was talking to representatives of the Royal Ulster Constabulary. The chairman of the Police Authority was also present. A clear commitment was given that the authority would continue to represent public opinion within Northern Ireland. The hon. Member for Fermanagh and South Tyrone (Mr. Maginnis) will know that we are currently consulting on the way in which we should construct that authority and allow local communities to have greater interface with it. It is an

[Mr. Ingram]

important body and it welcomes discussion on those issues. Those are concerns raised by the hon. Member for North Antrim (Rev. Ian Paisley). I pay tribute to the work done by the Police Authority, and I do not envisage radical change or even a measure of change in that regard in the future.

As I have said, my comment was not a slip of the tongue, but we must consider that the public may demand a different approach. Any democratic body must take that into account.

Mr. Mallon: Like the hon. Member for Fermanagh and South Tyrone (Mr. Maginnis), I noted the phrase used by the Minister. I remind the hon. Gentleman that his Department produced a paper on policing to be considered within the talks process. One of the options was a movement away from a unitary police authority system. That was presented to the talks as an option not by the Social Democratic and Labour party or by the Ulster Unionist party but by the Minister on behalf of the Government. Is the Minister now saying that the Prime Minister, in his wisdom, has pre-empted decisions that might be made on the basis of a paper prepared for the Minister by his own Department?

Mr. Ingram: I can see that the hon. Gentleman will not be fully happy with this debate. The point being made was that the chairman of the Police Authority asked about the future role of the authority, and my right hon. Friend the Prime Minister made clear the importance of that authority as a body. We did not discuss the consultative document. I have set out my view of what might be the likely response. If that consultative process results in a significant body of opinion saying, "We want this handled in a different way," we must take account of that. It is fair and reasonable to say that, although we have put out a consultative document, that does not mean that every option within the document is likely to become a reality. Clearly, that could not be so. There could be one police authority or there could be some other structure. I have said that I do not believe that there is likely to be more than one structure, but, as a democrat, I believe that if that is what people want, we must respond in a structured way.

We were dealing with a slightly different issue. As I have said, my use of the phrase "at present" was a specific statement, not a slip of the tongue. The fact that hon. Members have questioned me on that shows that they are listening to the debate. That is always helpful. Every word is being listened to and we must be careful what we say.

We were talking about performance targets and the setting of objectives. We had considerable debate on that in Committee, and it would not be appropriate to re-run that debate now. However, in this instance there were subsequent consultations with the hon. Member for Fermanagh and South Tyrone, and he convinced me and my officials that there would be presentational advantages in having our own legislation in Northern Ireland, reflecting as closely as possible the legislation in England and Wales.

Government amendments Nos. 6 to 15 will clearly demonstrate that our objective setting process and that in England and Wales are very similar. I thank the hon. Member for Fermanagh and South Tyrone for his help in clarifying that specific point. I am convinced that the amendments will clarify the intention of the provisions, so I am sure that they will improve the legislation.

In discussing the changes, I should emphasise that I believe that establishment of key performance targets is a vital tool, which both the authority and the Secretary of State must have at their disposal. I do not think that there is any dissent from that belief, as the principle is good and clear.

I therefore commend Government amendments Nos. 6 to 15 to the House.

I shall deal now with amendment No. 57, tabled by the hon. Member for Harrogate and Knaresborough, and Government amendments No. 15 and 16, which deal with the Secretary of State's power to require the Police Authority to amend the annual policing plan.

Although I thought that we had addressed every single issue in our debates on the Bill in Committee, we did not touch on that particular issue. However, it was raised by the Police Authority in subsequent discussions. The point was made that, in that regard, the Bill differs markedly from equivalent legislation in England and Wales, and that that could be presented as detracting from the Police Authority's ownership of the annual policing plan.

I should emphasise that there are good reasons for the original drafting of the legislation. The Secretary of State provides all funding for policing in Northern Ireland, and therefore has a crucial interest in the financial matters covered by the plan. Nevertheless, following discussions with the authority, we have agreed arrangements that will safeguard the Secretary of State's position in those matters.

Therefore—that being the case, and accepting the authority's view that there are clear presentational advantages in making the amendments—I am happy to change the clause, to bring it more into line with legislation governing policing plans in England and Wales, while continuing to take into account Northern Ireland's specific situation. I believe that the changes take on board the thrust of amendment No. 57, and therefore ask the hon. Member for Harrogate and Knaresborough not to press it.

I should like now to deal with amendment No. 60, which was tabled by the hon. Member for North-East Cambridgeshire and other hon. Members. As he said, and as the hon. Member for Fermanagh and South Tyrone repeated, the amendment seeks to place in statute a requirement on the Chief Constable to consult the Police Authority during implementation of the policing plan.

I fully agree with the principle behind the amendment, and strongly believe that the Chief Constable and the Police Authority would be failing in their duty to the people of Northern Ireland if they were not to consult closely over the annual policing plan during the year in which it is in operation. However, the mechanisms for ensuring that consultation occurs should be worked out as part of the Bill's implementation, and there is no need for a specific provision in statute on that point.

I should explain that a provision such as that in amendment No. 60 could imply prior discussions—which is how consultation could be interpreted—that could delay vital operational decisions, thereby fettering the Chief Constable's operational independence. I realise that the hon. Members who tabled the amendment do not want that to happen.

Consultation, by its very nature, requires prior discussions. The hon. Member for Fermanagh and South Tyrone mentioned matters of importance that might have to be dealt with by the Chief Constable. If the amendment were passed, the Chief Constable would have to consult on such matters before acting, whereas he might want to act quickly. Furthermore, what would happen if those who were to be consulted said no to the matter under consultation? We discussed the ramifications of such a situation in Committee.

Although it would be wrong to establish arrangements such as those proposed in the amendment, we have to create mechanisms for a consultative process, to deal with the normal raft of changes that may arise. We are therefore seeking to establish working groups to implement the legislation's key aspects. I hope that the working group to consider that specific issue will be established soon.

I am absolutely committed to ensuring that the new arrangements on the policing plan work effectively once the Bill is enacted.

There is another safeguard in ensuring the Chief Constable's accountability. Should the Police Authority feel that the mechanisms are not functioning adequately, under clause 48(3), it can call for a report on any matter from the Chief Constable. The Police Authority will therefore have mechanisms by which it can consult the Chief Constable. If it is still not happy, it will be able to use the report mechanism.

I therefore do not think that including amendment No. 60 in the Bill will be helpful. Moreover, as the provision might in future be wrongly interpreted, it could fetter the Chief Constable's independence—which I am sure that the hon. Members who tabled the amendment would not wish to happen.

Government amendment Nos. 21 to 23 would place a requirement on my right hon. Friend the Secretary of State to consult various interested parties before issuing or revising the policing principles under clause 37, the codes of practice under clause 38, or the guidance under clause 39.

When that issue was raised in Committee—in the ninth and 10th sittings, at columns 330 to 340—I assured hon. Members that there is regular consultation on many issues with both the authority and the Chief Constable. My intention, nevertheless, was to consult further on those matters. I was therefore happy to undertake to include amendments to that effect on Report—which I am now doing.

I should like to mention particularly the requirement under clause 39 to consult the Police Association. The guidance issued under that clause is likely to deal with policing equipment and best practice in respect of police procedures and responses, which are matters in which operational police officers will have a direct interest. I believe that it is only right that the Government should take their views into account before issuing guidance under the provision.

I should like, finally, to deal with Government amendment No. 24—[Hon. Members: "Hear, hear."] When we debated clause 47 in Committee—in the 11th sitting, at columns 365 to 379—I said that I felt that it was right that the legislation should set a timetable for the Police Authority's annual report. The report is an important document, as it contains an assessment of the Chief Constable's success in achieving the targets set for him under the annual policing plan.

I said at the time that four months seemed to be a reasonable time in which to issue the report, but I should be happy to listen to arguments in favour of other time scales, and to table amendments to alter the period to five or six months, if it is demonstrated to be sensible to do so.

I have considered the representations made in that debate, and in subsequent discussions. Consequently, I am convinced that a six-month period from the end of the financial year is a reasonable and appropriate time scale in which to issue the report. I shall amend the Bill accordingly.

Amendment No. 54 and the amendments grouped with it cover a comprehensive range of matters. Labour Members have demonstrated their recognition of the complexity of this group of amendments, and their willingness to move on in the matter. Although I had planned to summarise this debate, I have decided not to do so—as I know that hon. Members have listened intently to every word that I have said, and understood every word precisely.

Mr. Willis: I thank the Minister for his clarification of the issues, and for introducing amendments to address the issues that we raised in amendments Nos. 54 and 57.

I therefore beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendments made: No. 2, in page 2, line 2, leave out

', and performance targets established,'.

No. 3, in page 2, line 6, at end insert—

'( ) the statement of principles issued under section 37;'.—*[Mr. Dowd.]*

Clause 3

Staff of the Police Authority

Amendment made: No. 4, in page 2, line 40, leave out 'civilian' and insert 'police service'.—*[Mr. Dowd.]*

Clause 5

Provision and maintenance of buildings and equipment

Mr. Willis: I beg to move amendment No. 55, in page 3, line 27, at end insert—

'(2A) The Chief Constable shall consult the Police Authority before purchasing any novel or contentious equipment.'.

Mr. Deputy Speaker: With this, it will be convenient to discuss the following amendments: No. 59, in page 3, line 45, at end insert

'and to consultation with the Police Authority if purchases are in addition to those agreed under the annual policing plan under section 17.'.

Government amendment No. 5.

Mr. Willis: Amendment No. 55 does not seek to limit the Chief Constable's power to control the police budget or his powers to allocate resources as he thinks fit and in

[Mr. Willis]

accordance with the policing plan. It sends the right message to those who may attempt to use the purchase of extra equipment to undermine the work of the police.

Amendment No. 55 makes provision for the Chief Constable to consult the Police Authority before purchasing "novel or contentious equipment", such as anti-riot equipment, paramilitary-style police clothing and new weaponry. If the Government cannot accept the wording of the amendment, we hope that they will secure the principle behind it, by making sure that any extraneous equipment purchased by the Chief Constable is reported to the Police Authority.

6.30 pm

Mr. Moss: Amendment No. 59, in my name and those of my hon. Friends, relates to clause 5 and inserts the words:

"and to consultation with the Police Authority if purchases are in addition to those agreed under the annual policing plan under section 17."

A similar amendment to clause 9 was debated in Committee at some length. Clauses 9, 10, 11 and 12 relate to the financing of the Northern Ireland police service. The original amendment covered "novel and contentious" equipment, and its wording is reflected in amendment No. 55, moved by the hon. Member for Harrogate and Knaresborough (Mr. Willis).

In Committee, however, the Minister rejected the amendment on grounds of definition, although he was predisposed to the sentiments behind it. He said:

"I have no quarrel with the intention behind the amendment, which makes sense in principle . . . The Government have made it clear that we intend to require the Chief Constable to consult the authority should he wish to purchase novel or contentious equipment or services. However, 'novel' and 'contentious' are terms without meaning in legislation, and it would be inappropriate to put such a requirement on the face of the Bill."—[*Official Report, Standing Committee B*, 3 March 1998; c. 197.]

The Minister was predisposed to the intention behind the amendment, but felt that the words "novel" and "contentious" would create difficulties.

Amendment No. 59 drops the words "novel" and "contentious". It relates to equipment that the Chief Constable may wish to purchase in addition to that agreed with the Police Authority under the annual policing plan as set out in clause 17.

Clause 17(2) states:

"The annual policing plan shall include a statement of the Police Authority's priorities for the year, of the financial resources expected to be available to the Authority and"—

the key words in respect of the amendment—

"of the proposed allocation of those resources by the Authority".

As the Chief Constable submits the draft policing plan to the Police Authority, it is likely that he will set out, under the heading of allocation of resources, the funds that he requires to purchase equipment for the ensuing year. That will eventually be agreed by the Police Authority and incorporated in the annual policing plan.

Clause 5 covers equipment in its broadest sense, including buildings, so it seemed appropriate to table an amendment to that clause rather than to clause 9.

Although at the beginning of a financial year there would be an agreement between the Police Authority and the Chief Constable under the annual policing plan on the allocation of resources to purchase certain equipment, instances might well arise during the year when the Chief Constable wished to make additional purchases. That could result from changed circumstances in regard to terrorism, law and order or any other sector over which the Chief Constable had responsibility and on which he would wish to take operational decisions quickly, in order to face whatever threat might be posed. We are not saying that there should be an indent for the equipment, but if the Chief Constable intended to purchase equipment additional to that which had been agreed, it would be sensible and certainly extremely helpful for the Police Authority to be consulted before such equipment was purchased.

Clause 17 gives the Police Authority tremendous powers. It ensures that what it has agreed vis-a-vis the annual policing plan is transparent, so that the public can see what expenditure has been allocated to various resources. Some of the equipment listed by the Chief Constable in the annual policing plan may well be contentious. If the Chief Constable wished to purchase contentious equipment, however, no doubt the Secretary of State would take a view on that, so no one is arguing that the Chief Constable has complete freedom to buy whatever he or she wants at the time. However, it is right and proper to state in the Bill that the Police Authority—whose policing plan it is, after all—should be consulted on any deviation from the agreed policing plan.

In Committee, the Minister gave assurances that he would somehow work the idea into the financial arrangements. No doubt he will allude to that again in his response, but as yet we have not seen the wording of those financial arrangements, so the House is still in the dark. The amendment sets it out extremely clearly. There is no argument about that; and the previous group of Government amendments was very much based on those that we tabled in Committee, reflecting the views of the Police Authority.

To give them their due, the Government have moved a considerable way towards meeting the requirements of the Opposition in Committee and taking into account their discussions with the Police Authority. However, until there is clarification as to how the problem will be addressed, the Government should consider accepting our amendment, which would set it out clearly in the Bill that any equipment, including that which could be contentious, will be included in the consultation by the Chief Constable with the Police Authority.

Mr. Hunter: I support amendment No. 59 and agree with what my hon. Friend the Member for North-East Cambridgeshire (Mr. Moss) said in support of it. I shall add one more argument in favour of the amendment.

The amendment addresses particular circumstances when the Chief Constable wishes to purchase equipment in addition to what has been agreed under the annual plan. However, it must be borne in mind that the Chief Constable does no purchasing whatsoever under his own authority; he does it on behalf of and in the name of the Police Authority. Therefore, he is exercising the purchasing authority of the Police Authority. It is logical that, if he goes beyond the proposals agreed with the Police Authority, he should consult the Police

Authority: he does not have the authority to make the purchase; he is using the authority of the Police Authority and therefore, logically and reasonably, should consult it.

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Tony Worthington): Government amendment No. 5, which is straightforward, allows the police service in Northern Ireland to take advantage of private finance arrangements in undertaking major capital projects. Such power is already open to police services in Great Britain, so it is only right that it should be available to the Royal Ulster Constabulary.

Amendment No. 55 would require the Chief Constable to consult the Police Authority before purchasing any novel or contentious equipment. I am grateful to the hon. Member for North–East Cambridgeshire (Mr. Moss) for faithfully recounting what I said in Committee. We stand by that. There is no difference between us in wanting discussion between the Chief Constable and the Police Authority if controversial equipment is bought, but the phrase "novel and contentious", presents a difficulty and does not seem appropriate for the Bill.

As the hon. Member for North–East Cambridgeshire said, I intend to include the requirement in the financial instructions, which will set out details of financial management arrangements under the legislation. We give the undertaking that it is perfectly proper for the Chief Constable and the Police Authority to be in discussion whenever the purchase of any controversial equipment is considered. We consider that a better way forward than including a phrase such as "novel and contentious" in the Bill.

Mr. Moss *rose—*

Mr. Worthington: Perhaps, before intervening, the hon. Gentleman would like to hear what I have to say about the amendment that he tabled.

I shall ask the House to reject amendment No. 59. The reason is that it refers to the policing plan. If the hon. Member for North–East Cambridgeshire looks at the policing plan, he will see that to insert in the Bill what equipment can be bought would completely change the nature of the plan. It is not that kind of document; it is about performance indicators, objectives, and so on. There is no reference to equipment purchase. As I said on amendment No. 55, which the hon. Member for Harrogate and Knaresborough (Mr. Willis) tabled, the matter will be picked up in the financial instructions; we cannot write it into the Bill.

There has been a tendency for police authorities, like local authorities, to become obsessed with what kind of equipment should be bought, thus neglecting their central duty, which is about strategic planning and objective setting, and ensuring that the police keep to their targets and meet them.

The same assurance is valuable to both the hon. Member for North–East Cambridgeshire and the hon. Member for Harrogate and Knaresborough. We give the undertaking that the issues with which they are concerned will be picked up in the financial instructions, to make it quite clear that the Chief Constable should not go ahead with the purchase of equipment that might have, for example, human rights implications, without it being clear that the Police Authority is involved.

Mr. Moss: When will the financial instructions will be written? Could they be made available before the Bill goes to the other place?

Mr. Worthington: I shall come back to the hon. Gentleman on that matter. I cannot say whether that will be possible. We want to be completely open on this matter to show that the legitimate points made have been taken into account. As I do not know precisely when the Bill will go to the other place, I cannot give the undertaking that the hon. Gentleman seeks. His point is taken, and I think that we shall be able to satisfy him on it.

Mr. Willis: I thank the Minister for that clarification and, indeed, for the fact that the financial instructions will contain an answer to the legitimate concern that we raised. Indeed, we would like the relationship between police authorities and chief constables in Great Britain to be resolved as well, because current legislation is a mess.

6.45 pm

Mr. Mallon: There are two sides to the argument on all these issues, and I should like to raise one relating to the acquisition of property to which the Minister did not refer, through no fault of his own—disposal of police property.

We have inherited, in most places in the north of Ireland, quite massive police stations. They were built in such a way that they are an environmental affront and substantial amounts of land were requisitioned. It always hurts, especially in a rural community, when land is requisitioned in such a way. We are approaching the stage where I believe that it will be incumbent on the Police Authority to shed property, rather than acquire it. It will be very important that that is done constructively and sensitively.

There are already problems. I can quote examples of when I have pleaded with, begged, asked the Police Authority to take certain properties in my constituency because of the danger to people living next to police stations. On financial grounds, the police could not justify doing that. I understand that, in some of those cases, the Police Authority now wishes to requisition the land. That would be grossly unfair to the people who own it and to the people who lived through the trauma of being in danger for so many years. I ask that that be considered very carefully. I specify the case of Newtonhamilton. I should make the Minister aware of the concern there about further requisitioning of land in the centre of the town, which is not required because there is a massive police station.

I seek guidance from the Minister on police stations that were built during the past 25 years, which have a minimum height of about 20 m. Building them to that height was not the decision of the Police Authority—it had no say in the design of the buildings. It was a matter for the Chief Constable. Does it make any sense in a peaceful situation for the police station in the

[Mr. Mallon]

middle of a village or in the middle of a city, such as on the Lisburn road in Belfast, to be encased within a 20 m wall?

I was continually assured that the design was such that undue height could be removed in circumstances where peace pertained. That is one respect in which we could start to show that we have moved into a different era; it would evoke a response from the community, would make policing more amenable to the community and would be good for policing as well as for the environment in which policing occurs. It is not good for either the community or policing to have to—almost—scale the heights, climb over a mountain, to get into the building.

When I go to the police station in my village, I first have to ring a bell. Then I hear a rattling inside, then someone peeps out, and eventually someone opens the gate. I can understand why—that police station has been bombed several times. I still maintain, however, that we must have confidence in what has been done; we must begin a new era. One way of living up to what has been achieved is to start taking down these walls. I was assured that that could be done, when the time was right, without destroying the fabric of the police station. When the police dispose of whatever land is not required, they must do so quickly, and there must be no suggestion of any commercial profit accruing from the requisitioning of land by the Police Authority or anyone else.

I hope that the Minister will keep these points at the forefront of his mind, because, unless we all show our intent in relation to the new beginning, we will be left with the remnants of the past. Let us begin now; the Government amendment would allow us to do that quickly and effectively.

Mr. Worthington: It is impossible to disagree with the sentiment behind the remarks of the hon. Member for Newry and Armagh (Mr. Mallon). It is always a great shock for people visiting Northern Ireland to see the fortresses that police stations have become. The great prize which may emerge from this agreement is a possible return to some kind of normality—but I must remind the hon. Gentleman that there have been three attempted mortar attacks in the past few weeks, all of which we surmise to have been directed at police stations. In such a climate, it is difficult to declare that this is the moment to withdraw protection from police stations. The hon. Gentleman wants to move in the same direction as we do. I assure him that we shall do so as soon as it is safe.

Dr. Norman A. Godman (Greenock and Inverclyde): When the moment arrives for the disposal of these buildings, I hope that the interests and aspirations of local communities will be genuinely taken into account.

Mr. Worthington: Of course I can give that assurance—it is part of the prize that we all seek.

Mr. Willis: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

ROYAL ASSENT

Mr. Deputy Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified Her Royal Assent to the following Act:

Northern Ireland (Elections) Act 1998

Police (Northern Ireland) Bill

As amended (in the Standing Committee), again considered.

Amendment made: No. 5, in page 3, line 45, at end insert—

'( ) The power conferred by this section to provide buildings or equipment includes power to enter into a contract with another person for the provision or making available of buildings or equipment together with any services relating to such buildings or equipment'.—*[Mr. Dowd.]*

Clause 10

FUNDING OF POLICE AUTHORITY—ANCILLARY PROVISIONS

Amendments made: No. 6, in page 6, line 29, leave out from 'to' to end of line 31 and insert 'the Police Authority'.

No. 7, in page 6, line 34, leave out '(2)(a)' and insert '(2)'.—*[Mr. Dowd.]*

Clause 14

SETTING OF POLICING OBJECTIVES AND PERFORMANCE TARGETS BY SECRETARY OF STATE

Amendments made: No. 8, in page 7, line 31, leave out from 'Ireland' to end of line 34.

No. 9, in page 7, line 40, leave out 'and performance targets established'.

No. 10, in page 8, line 2, leave out

'or performance targets established or revised'.

No. 11, in page 8, line 4, leave out from 'determined' to end of line 7 and insert

'under this section shall, where objectives so determined have been revised, be read as references to such objectives as revised'.—*[Mr. Dowd.]*

Clause 15

SETTING OF POLICING OBJECTIVES AND PERFORMANCE TARGETS BY POLICE AUTHORITY

Amendments made: No. 12, in page 8, line 11, leave out from 'year' to end of line 13.

No. 13, in page 8, line 22, at end insert—

'(4) The Police Authority shall establish levels of performance ("performance targets") to be aimed at in seeking to achieve—

(a) any objectives established by the Secretary of State under section 14; and

(b) the objectives determined by the Authority for a financial year under this section.

(5) Performance targets under paragraph (a) of subsection (4) shall be established before the beginning of the period specified in the objectives in question by virtue of section 14(3); and

performance targets under paragraph (b) of that subsection shall be established before the beginning of the financial year in question.'.—*[Mr. Dowd.]*

Clause 16

THE CHIEF CONSTABLE'S STRATEGIC POLICING PLAN

Amendment made: No. 14, in page 8, leave out lines 33 and 34.—*[Mr. Dowd.]*

Clause 17

THE POLICE AUTHORITY'S ANNUAL POLICING PLAN

Amendments made: No. 15, in page 9, leave out lines 11 and 12.

No. 16, in page 9, line 24, leave out from 'shall' to end of line 26 and insert

'consult the Secretary of State'.—*[Mr. Dowd.]*

Clause 19

GENERAL FUNCTIONS OF CHIEF CONSTABLE

Amendment made: No. 17, in page 10, line 14, leave out from 'to' to end of line 15 and insert '—

(a) the annual policing plan issued under section 17; and

(b) the statement of principles issued under section 37.'.—*[Mr. Dowd.]*

Clause 29

LIABILITY FOR WRONGFUL ACTS OF CONSTABLES

Mr. Worthington: I beg to move amendment No. 18, in page 16, line 2, at end insert—

'( ) There shall be paid out of funds put at the disposal of the Chief Constable under section 10(5)—

(a) any damages or costs awarded against the Chief Constable in any proceedings brought against him by virtue of this section and any costs incurred by him in any such proceedings so far as not recovered by him in those proceedings; and

(b) any sum required in connection with the settlement of any claim made against the Chief Constable by virtue of this section, if the settlement is approved by the Police Authority.'.

Mr. Deputy Speaker: With this, it will be convenient to discuss the following amendments: No. 56, in page 16, line 4, after 'appropriate', insert

', and subject to the approval of the Police Authority'.'

Government amendments Nos. 19 and 35 to 38.

Mr. Worthington: In the hope of curtailing our debate, I shall begin by responding to the hon. Member for Harrogate and Knaresborough (Mr. Willis)—although he has not spoken yet in this debate—so that he can see just how reasonable we are.

Amendment No. 56 would require the Chief Constable to obtain the approval of the Police Authority before paying damages for the wrongful actions of his officers. This is a considerable extension of the authority's existing powers in this area, and I suspect that it does not do what the hon. Gentleman sought anyway.

The authority's existing power under the Police (Northern Ireland) Act 1970 is to assess whether the Chief Constable has taken appropriate legal advice in making the decision to settle a case out of court, and ensuring that he pays sufficient regard to the need for economy in the use of public resources in agreeing the amount of any settlement.

As the Minister of State, my hon. Friend the Member for East Kilbride (Mr. Ingram), said in Committee, this power should continue. However, he did not think primary legislation was the appropriate place for it. We considered the issue at length and there have since been consultations on it with the Police Authority.

The concerns expressed, both by hon. Members and by the Police Authority, have been taken on board; they will be described in detail when we move to the Government amendments to clause 29. Amendment No. 56 would not only require the Police Authority to assess whether the Chief Constable had taken appropriate legal advice, but require the authority to form a view on whether an officer had committed a wrong in the course of his duty, and therefore whether the Chief Constable should be liable for the payment of damages. That could give rise to a court finding, as a matter of fact and law, that a police officer had committed a wrong against a member of the public. If the officer were acting in the course of duty, the Chief Constable would be liable for damages in such a situation.

Under the amendment, it would be open to the Police Authority to refuse to approve the payment, which would leave the officer himself liable to pay damages which, in many cases, he would be unlikely to be able to do. That gives the authority the power to make decisions in an area that is properly the responsibility of a court; I do not believe that that is what the hon. Member for Harrogate and Knaresborough intended, and I know that it is not a power that the Police Authority is seeking. I would therefore request that the amendment be withdrawn.

As for Government amendments Nos. 18 and 19, as I have said, we discussed clause 29 at considerable length in Committee. I said at that time that I was prepared to listen to reasoned arguments and consider possible amendments on Report, provided I could see the strength of the argument, and could assure myself that the Chief Constable's position was properly protected. An understanding has been arrived at with the Police Authority that this matter will be governed by a set of principles that safeguard the interests of all concerned.

The legal position and the powers that the amendment gives the Police Authority are precisely as they were described, when we set out the position under the 1970 Act, in the ninth sitting of Standing Committee B on 5 March. That being so, I am more than happy to amend the Bill so that it maintains the present position regarding civil claims.

The Government amendments to schedule 4 are incidental to the new financial arrangements provided by clause 10(5). They ensure that moneys required to be paid as a result of actions against the Chief Constable under the race relations legislation, the Sex Discrimination (Northern Ireland) Order 1976 and the Fair Employment (Northern Ireland) Act 1976 are paid out of the grant made available to the Chief Constable for police purposes under clause 10(5).

[Mr. Worthington]

I hope that the hon. Member for Harrogate and Knaresborough will not press his amendment, in the light of the changes that we are making to clause 29. I commend the Government amendments to the House.

Mr. Willis: It is a strange experience to have one's arguments about an amendment answered before they are made and to have one's amendment withdrawn, as it were, before one has said that one wants to withdraw it. Nevertheless, I understand the Minister's point—and, indeed, we do not want to press an amendment that would cause difficulties.

The relationship between damages awarded against a constable or even the Chief Constable—in effect, against the police force—the payment of those damages, and the Police Authority raises an important principle. There is grave concern in the United Kingdom as a whole at the way in which chief constables sometimes deal with those claims in isolation from police authorities, as police authorities take the flak when something goes wrong. We tabled the amendment to seek clarification, so I am grateful to the Minister for his response.

Amendment agreed to.

Amendment made: No. 19, in page 16, line 10, at end insert

', if the settlement is approved by the Police Authority'.—*[Mr. Dowd.]*

Clause 37

STATEMENT OF POLICING PRINCIPLES

Amendments made: No. 20, in page 20, line 13, at end insert—

'( ) A statement issued under this section shall include the principle that the policing of Northern Ireland is to be conducted in an impartial manner.'.

No. 21, in page 20, line 13, at end insert—

'( ) Before issuing a statement under this section, the Secretary of State shall consult—

(a) the Police Authority; and

(b) the Chief Constable.'.—*[Mr. Dowd.]*

Clause 38

CODES OF PRACTICE

Amendment made: No. 22, in page 20, line 18, at end insert—

'( ) Before issuing or revising a code of practice under this section, the Secretary of State shall consult the Police Authority.'.—*[Mr. Dowd.]*

Clause 39

GUIDANCE AS TO EXERCISE OF FUNCTIONS BY POLICE FORCE

Amendment made: No. 23, in page 20, line 24, at end insert—

'( ) Before issuing or revising any guidance under this section, the Secretary of State shall consult—

(a) the Police Authority;

(b) the Chief Constable; and

(c) the Police Association.'.—*[Mr. Dowd.]*

Clause 47

ANNUAL AND OTHER REPORTS BY POLICE AUTHORITY TO SECRETARY OF STATE

Amendment made: No. 24, in page 22, line 37, leave out '4' and insert '6'.—*[Mr. Dowd.]*

Clause 51

THE POLICE OMBUDSMAN FOR NORTHERN IRELAND

7 pm

Mr. Willis: I beg to move amendment No. 41, in page 25, line 20, leave out 'a' and insert 'an Independent'.

Mr. Deputy Speaker (Mr. Michael J. Martin): With this, it will be convenient to discuss the following amendments: No. 42, in page 25, line 22, after 'of', insert 'Independent'.

No. 43, in page 25, line 23, at end insert—

'(2A) The Independent Police Ombudsman shall ensure that he gives due consideration to the fact that he operates, and is seen to operate, independently of the Government and the Northern Ireland Police Service.'.

No. 44, in page 25, line 24, after 'the', insert 'Independent'.

Government amendments Nos. 25 and 32.

No. 47, in schedule 3, page 41, line 37, leave out from 'be' to 'and' and insert

'until the appointee reaches retirement age'.

No. 48, in page 41, leave out lines 39 and 40.

No. 49, in page 41, leave out lines 41 and 42.

No. 50, in page 42, line 2, leave out from beginning to 'if' in line 3.

No. 51, in page 42, line 23, leave out from 'may' to 'employ' in line 24.

No. 52, in page 42, line 25, at end insert 'efficiently and effectively'.

No. 53, in page 42, line 42, leave out from beginning to end of line 49 on page 43.

Government amendments Nos. 33 and 34.

Mr. Willis: Amendments Nos. 41 to 44 all refer to the independence of the police ombudsman and his or her office. In Committee, the role and independence of the ombudsman was considered in depth. Liberal Democrats have misgivings about the new ombudsman's role and functions, particularly the ombudsman's relationship with the Police Authority and the Northern Ireland Office, which we believe will have to be developed if it is to be acceptable.

We accept the conclusion of Dr. Maurice Hayes that there is a lack of confidence in the current complaints system because it is not sufficiently independent, so we broadly support the Government's aims. The Government have accepted that the principle of independence should be specified in the Bill—we hope that the Minister's explanation of Government amendment No. 25 will suffice.

Amendments Nos. 47 to 53 are inevitably linked to the issue of the ombudsman's independence. We agree with what the hon. Member for Newry and Armagh

(Mr. Mallon) said in Committee—we do not believe that the independence of the ombudsman service should depend on the person who is appointed. Nevertheless, as I am sure the hon. Member for Newry and Armagh would agree, we agree that the right appointment will be extremely important to the success of the new service.

We are pleased that the original term of office, which was to be renewable, has been changed to a seven-year fixed term, although we do not understand why a fixed term is necessary. Government amendment No. 32 was tabled to clarify the position on tenure, so I hope that the Minister will explain why the period of tenure should be specified. Surely it is far better that the right person is appointed and continues in post until he or she no longer feels it necessary—we do not want what happened in respect of the European central bank to be repeated.

Amendment No. 53 was tabled to question the necessity for schedule 3(5). How can the ombudsman be independent if police officers are recruited and then seconded into his office? The ombudsman will have to investigate the police, so to have police officers as part and parcel of his office, for whatever reason, would undermine the office's independence. That is an important issue, on which we ask the Minister to give a considered response.

Mr. Ingram: I shall deal first with amendments Nos. 41 to 44, tabled by the hon. Member for Harrogate and Knaresborough (Mr. Willis), which would add the word "independent" to the title of the ombudsman. I shall then cover Government amendment No. 25, which adds a preamble to part VII of the Bill. After that, I shall speak on amendments Nos. 47 to 50 and Government amendment No. 32, which are related—they deal with the tenure of the ombudsman. Amendments Nos. 51 and 52 also deal with the appointment. Finally, I shall deal with amendment No. 53 and Government amendments Nos. 33 and 34, which cover police service.

Amendments Nos. 41, 42 and 44 would apply the description "independent" to the police ombudsman's post. I do not believe that they would enhance the legislation. Amendment No. 43 places further emphasis on the independence of the ombudsman. By its very nature, the office of ombudsman is independent. The word "independent" is not used in statute to describe any other ombudsmen, so to use it in the Bill could cast doubt on the independence of other ombudsmen—if it is regarded as necessary to define ombudsmen as independent in Northern Ireland, that could give rise to questions about the independence of other ombudsmen. Moreover, there would be a glaring difference in statute.

The powers granted to the ombudsman in the Bill guarantee his or her independence, so it is not necessary to specify the word "independent" in legislation. The parliamentary ombudsman, for example, is not described as independent, but I am sure that hon. Members would agree that his actions demonstrate his independence. Similarly, the police ombudsman will be judged not by the description in the Bill, but by the way in which he or she performs the tasks required by the legislation. I recommend that the House rejects amendments Nos. 41 to 44, as they are unnecessary. Amendment No. 44 also suggests that the ombudsman should operate independently, so I hope that the House will reject it, especially in the light of Government amendment No. 25.

Government amendment No. 25 will add a provision to the Bill emphasising that the ombudsman must exercise his or her powers in such a manner and to such an extent as appears to him or her to best secure the efficiency, effectiveness and independence of the police complaints system and the confidence of the public and of members of the police force in that system. It will, in effect, add a preamble to part VII of the Bill.

In Committee, my hon. Friend the Member for Newry and Armagh (Mr. Mallon) tabled an amendment along similar lines to Government amendment No. 25. The hon. Member for Montgomeryshire (Mr. Öpik) tabled an amendment not dissimilar to amendment No. 43. In the event, it was not moved, as the hon. Gentleman was not a member of the Committee, although some members of the Committee supported the idea behind it—members of the Committee, including my hon. Friend the Member for Newry and Armagh, accepted that the wording could be improved. I accepted the principle and gave an undertaking to table a Government amendment on Report. In the light of that undertaking, the amendment was withdrawn.

Government amendment No. 25 takes into account the essential principles in the Hayes report of the fundamental need for independence and the overriding requisite that the complaints system should command the confidence of both the public and the police. On that basis, I commend that amendment to the House.

I also commend Government amendment No. 32 in preference to amendments Nos. 47 to 50. The Government tabled amendment No. 32 in the light of the comments made by hon. Members on Second Reading and in Committee. Concern was expressed that an ombudsman whose term was subject to renewal might be vulnerable to political pressure, because he or she would want to curry favour with the Government to ensure a second term.

Amendments Nos. 47 to 50 suggest that the ombudsman should be appointed on a tenure until retirement. That was also suggested by Dr. Hayes. I do not consider that appropriate in the light of the Nolan recommendations, and recent legislation has tended to limit the tenure of appointments, but to reassure hon. Members that the appointee will not be vulnerable to political pressure, I propose a provision whereby the ombudsman will be appointed for a non-renewable seven-year term, or until 70, whichever is the shorter.

The total of seven years is within Sir Leonard Peach's recommendation on total period of service of six to eight years. Both Dr. Maurice Hayes and Sir Leonard Peach have been consulted on the proposal and agree with our approach.

A related amendment, No. 50, would remove the provision allowing the Secretary of State to call on the ombudsman to retire in the interests of efficiency and effectiveness. Again, that issue was dealt with in Committee. My hon. Friend the Member for Newry and Armagh tabled an amendment covering the point; after consideration, it was withdrawn.

The success of the ombudsman's office will depend to a large extent on the success of the person who holds the post. It would be wrong to hamper the effectiveness of the ombudsman's office through the inability to remove an ombudsman who is not fulfilling the role required of him or her by the legislation.

[Mr. Ingram]

We all agree that the ombudsman must be, and must be seen to be, independent. That requires that the ombudsman is given a secure appointment, but it does not mean that he or she should be able to continue in post if not performing effectively or efficiently. That is why we have included the provision at paragraph 1(7)(a), stating that the Secretary of State may call upon the ombudsman to retire

"in the interests of efficiency or effectiveness".

The provision is the same as that for the RUC Chief Constable and for chief constables in England and Wales, who are appointed on fixed-term contracts. It is also the same as for the director general of the National Criminal Intelligence Service. The provision is relevant to a single postholder of the importance of the police ombudsman. If he or she is inefficient or ineffective, the Secretary of State should surely act to ensure that the credibility of the office is not lost.

The provision for the ombudsman, as with those other provisions, gives ample scope for an appeal against any call to retire. The power allows for the removal of an individual who is manifestly failing, even if his or her conduct does not include actual criminality. That is in the public interest and protects the office of police ombudsman. I hope that hon. Members will accept Government amendment No. 32, and I hope that amendments Nos. 47 to 50 will not be pressed to a vote.

Amendments Nos. 51 and 52 would remove the requirement for the ombudsman to gain the approval of the Secretary of State as to numbers and remuneration, and other terms and conditions of service of employees. Instead, the amended provision would state that the ombudsman should employ such persons as he or she thinks fit to enable the ombudsman's functions to be carried out "efficiently and effectively". I cannot accept the amendments.

The provision that the Secretary of State must approve the staffing numbers, remuneration and terms and conditions of employees is an important one that is standard in legislation establishing independent statutory bodies and is consistent with Treasury guidance on non-departmental public bodies. The justification for the provision is that it will be for the Government to fund the direct running costs of the ombudsman's office, so we have a responsibility to ensure that funds are not used wastefully.

The Government, in consultation with the ombudsman, will ensure that the office is adequately staffed to perform the functions provided for in the legislation. The provision, as drafted, ensures that the Government remain accountable to Parliament for the expenditure voted by Parliament.

7.15 pm

I would also argue that the words "efficiently and effectively" are not required. They do not add to the sense of the provision, which deals with employment of staff, not how the ombudsman's functions should be carried out. I hope that amendments Nos. 51 and 52 will not be pressed to a vote.

Government amendments Nos. 33 and 34 and amendment No. 53 deal with RUC service with the ombudsman. Amendment No. 53 would remove the detailed provisions on RUC officers serving on the ombudsman's staff and those providing assistance to meet special demands: for example, those who are called in to make door-to-door inquiries. Those are arrangements that Dr. Hayes recommended, and I will hold consultations with the Independent Commission for Police Complaints on the issue. Amendment No. 53 would clearly create an inconsistency. I hope that it will not be pressed to a vote.

The schedule, as drafted, provides that

"The Ombudsman and the Chief Constable shall enter into arrangements for members of the police force to be engaged for a period of temporary service with the Ombudsman."

That provision was interpreted by some, including members of the Standing Committee—for example, my hon. Friend the Member for Newry and Armagh—as requiring the ombudsman to engage police officers for all time.

That was not our intention in drafting the provision, which is designed to require arrangements to be made in case members of the police are engaged by the ombudsman. Those arrangements would deal with the way in which officers were to be paid, to get leave, and so on. Although I regarded the provision as clear, as did the legislative draftsman, in the light of the concerns expressed, I concluded that there should be a change to make it clearer. That again shows that we benefited from the input from hon. Members in Committee. I hope that hon. Members will agree to Government amendments Nos. 25, 32, 33 and 34, and that the others will not be pressed to a vote.

Rev. Ian Paisley: This is one part of the Bill that is welcomed by all sections of the community in Northern Ireland. That point was well made on Second Reading. For many years, those who represented people in Northern Ireland were anxious that there should be an independent body to deal with complaints against the police. In the appointment of the ombudsman, that is set in place. There are some difficulties re appointment, and those and other matters have been explained by the Minister. I welcome the fact that the ombudsman will be appointed, and that at long last people will know that he is independent of the police.

No matter how acceptably police officers carry out their duty, we cannot ask them to be judge and jury in cases involving their own. Their doing so has always left a doubt in people's minds, and made many reluctant to go along that route. The proposal will benefit all parts of the community, and it will be widely welcomed.

Mr. Mallon: I warmly welcome the Government amendments. I notice that the Minister is looking at me in what is almost a state of shock. I understand why he may feel that, but I genuinely welcome them.

It is crucial that changes be made. The essence of an independent ombudsman is that he should make his decisions. Government amendment No. 33 changes the Bill from stating:

"The Ombudsman and the Chief Constable shall enter into arrangements".

That original wording reduced the ombudsman's independent ability to make what arrangements he chose. It is essential to the independence of his office that there is no legislative imperative to enter into arrangements, and no legislative imperative not to enter into arrangements. Under Government amendment No. 33, the ombudsman can decide independently of the Bill, of the Secretary of State and of the police what arrangements he or she will make for use of the police, whether it is the Northern Ireland service—as in this case—or one from abroad. I am especially pleased by that crucial change.

Recent experience suggests that those who hold independent offices in Northern Ireland come under severe pressure at times. One might not believe all the rumours, but those who hold such offices must be strong people. They have to trample on toes and take on vested interests in the Government, the police, the Police Federation and the community. They must have full legislative independence to allow them to do that. I repeat that I warmly welcome the Government amendments, which change the whole complexion of this part of the Bill. Everyone will be pleased by them.

I also welcome what the Minister said about the ombudsman's relationship with the community and the police service. It will not be healthy if there are tensions between the community and the ombudsman, or between the police and the ombudsman. We need a remarkable person for the job, and I believe that the Government's changes are worth while.

When we deal with legislation, we rightly consider all eventualities. Let me pose one that does not come readily to mind in Northern Irish terms, whereby tensions in the community start to dissipate, attitudes towards policing change and relationships in the communities respond to those changes. In those circumstances, it would be right to have the powers of an independent ombudsman. Other hon. Members and I look forward to the day when that person is appointed, and, in the longer term, to the time when he or she becomes just a memory. Change will not come unless we have absolute independence for the right person in the job. Our legislation must not tie the ombudsman down in any way, and must allow for independent decisions. That will affect the way in which police complaints will evolve, even over the next five years.

Mr. Willis: Amendments Nos. 32 and 33 go a long way to resolving many of the issues that we wanted to raise on Report. We are still concerned about paragraph 5 of schedule 3, but will return to it in another place. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment made: No. 25, in page 25, line 25, at end insert—

'( ) The Ombudsman shall exercise his powers under this Part in such manner and to such extent as appears to him to be best calculated to secure—

(a) the efficiency, effectiveness and independence of the police complaints system; and

(b) the confidence of the public and of members of the police force in that system.'.—*[Mr. Dowd.]*

Clause 52

COMPLAINTS—RECEIPT AND INITIAL CLASSIFICATION OF COMPLAINTS

Mr. Willis: I beg to move amendment No. 45, in page 25, line 41, at end insert—

'(aa) make reasonable effort to ensure that the complainant is informed that his complaint is being considered,'.

Mr. Deputy Speaker: With this, it will be convenient to discuss the following amendments: No. 46, in page 25, line 42, at end insert

'and—

(c) make reasonable effort to ensure that the complainant is kept informed of developments in the consideration of his complaint, including any resolution or action resulting therefrom'.

Government amendments Nos. 26, 27 and 58.

Mr. Willis: Amendments Nos. 45 and 46 are very plain. One of the great frustrations in taking a complaint to the ombudsman—even in England, whether it be the parliamentary ombudsman, one in local government or another—is keeping abreast of what is happening. The amendments are intended to put in the Bill, or otherwise establish, the principles that a complaint should be constantly monitored, and that the complainant should receive feedback. If the ombudsman takes any action, it should be reported to the complainant.

Mr. Worthington: I think that I can satisfy the hon. Gentleman that there is no difference between us, although I do not believe that what he wants should be written into the Bill. The amendments contain definitional problems, such as the meaning of development, but the hon. Gentleman's point that the complainant should be kept informed ought to be taken care of in the regulations and guidance that will accompany the Bill.

Amendments Nos. 26, 27 and 58 all affect clause 64. I shall try to make the hon. Member for Newry and Armagh (Mr. Mallon) happy again by saying that the amendments follow the provisions of the Police (Northern Ireland) Order 1987 on informing complainants who request a record. We believe that a person should automatically receive a record of the outcome of his case. The hon. Gentleman will recall that, in Committee, I agreed to introduce an amendment on Report, and he withdrew his amendment. The amendment that we have tabled meets the point that was made in Committee, and I recommend it to the House.

Amendment No. 27 makes an enabling provision in clause 64 for regulations authorising or requiring the ombudsman to provide "the appropriate disciplinary authority" with information relevant to the exercise of any power of suspension.

In Committee, the hon. Member for Newry and Armagh tabled an amendment that brought to our attention the fact that, with the ombudsman controlling the case, the Chief Constable would not automatically know what was happening and that the suspension of an officer during that case might not occur. Again, we agreed that an amendment along those lines made sense and undertook to introduce one on Report.

[Mr. Worthington]

At present, during investigations by the RUC into complaints against the police, the evidence is constantly reviewed and the Chief Constable can order suspension if he sees fit. The amendment enables the ombudsman to provide the information to the Chief Constable or Police Authority so that they can consider whether suspension is appropriate. I commend the amendment to the House.

7.30 pm

Finally, I shall deal with amendment No. 58. We said that we wanted to consider powers for the ombudsman to make recommendations to the Chief Constable for the payment of ex gratia sums. Dr. Hayes expected that the sums would be modest.

In Committee, the hon. Member for Newry and Armagh tabled a new clause to require the ombudsman to consider compensation and to direct a payment where "circumstances warrant it". That proposal went further than Dr Hayes's recommendations, but I said in Committee that we were sympathetic to the introduction of a wider compensation provision for substantiated cases, if there could be a simple procedure. Having considered the matter, we have concluded that the balance of argument is in favour of what the hon. Gentleman suggested. That is why we have tabled amendment No. 58. It provides a power—I want to be absolutely clear about this—allowing the Government to make regulations that would enable the ombudsman to make recommendations to the Chief Constable to pay a modest level of compensation.

The hon. Gentleman may well ask what is meant by a modest level of compensation. We have in our mind up to about £3,000—the level in the small claims court in England and Wales—to a complainant, where a complaint has been substantiated. Of course, that does not take away the right of a complainant to go to the civil court. If the complainant went to the civil court, we would expect the amount that had been paid to be taken into account.

I wish to make it clear to the hon. Member for Newry and Armagh that we are making the amendment because we can see the sense of tackling the issue of compensation now so that we do not have to introduce further primary legislation. We intend that the regulations will be implemented only after careful consideration. We shall consider the experience of the early days of the ombudsman's office and consult the ombudsman who is in position before we introduce any scheme, to ensure that he or she is content with it, and we shall also consult the police and the Police Authority on the detail.

Mr. Maginnis: Will the Minister clarify the point that he made about an amount of £3,000? I take it that he means an amount up to and including £3,000, and that it is not a stipulated amount.

Mr. Worthington: I am grateful to the hon. Gentleman for raising that point and giving me the opportunity to clear away any doubt. I knew that, if I referred to a compensation amount, people would want to know how much, and I have tried to provide that information. What is in our mind is an amount of up to £3,000. It could not be a fixed tariff. We are simply taking powers. The provision was not in the Bill and we shall need to consult the police, the Police Authority and any other bodies about how it was introduced. We need to have the experience of the ombudsman. I hope that the hon. Member for Newry and Armagh realises that we have taken serious account of the points that he has raised. I hope that the amendments tabled by the Government will be accepted.

Mr. Mallon: I assure the Minister that I welcome the Government amendments. I am pleased with them. They have gone a long way to meet the aims of the three proposals that I made in Committee. I shall not detain the House further. I welcome the Government amendments. They are an advance on the situation.

Mr. Willis: I am grateful to the Minister for his response to amendments Nos. 45 and 46. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 64

REGULATIONS

Amendments made: No. 26, in page 33, line 21, leave out from 'procedure' to end of line 22.

No. 27, in page 34, line 5, at end insert—

'( ) for authorising or requiring the Ombudsman to provide to the appropriate disciplinary authority information relevant to the exercise by that authority of any power of suspension under regulations made by virtue of section 25(2)(f) or 26(2)(e);'.

No. 58, in page 34, line 12, at end insert—

'( ) for enabling the Ombudsman, in such cases as may be prescribed, to make a recommendation to the Chief Constable for the payment by the Chief Constable to the complainant of compensation of such amount as the Ombudsman considers appropriate (but not exceeding such amount as may be prescribed);'.—*[Mr. Dowd.]*

Clause 73

INTERPRETATION

Amendments made: No. 28, in page 37, leave out line 12.

No. 29, in page 37, line 22, at end insert—

'"police service staff" has the meaning assigned by section 3(7);'.

No. 30, in page 37, line 39, leave out 'civilian' and insert 'police service'.

No. 31, in page 37, line 41, leave out 'civilian' and insert 'police service'.—*[Mr. Dowd.]*

Schedule 3

THE POLICE OMBUDSMAN FOR NORTHERN IRELAND

Amendments made: No. 32, in page 41, leave out lines 36 to 42 and insert—

'(3) An appointment as Ombudsman may be full-time or part-time.

(4) An appointment as Ombudsman shall be for—

(a) a period of 7 years; or

(b) a period ending on the date on which the person appointed attains the age of 70,

whichever is the shorter.

(5) A person whose term of appointment as Ombudsman expires shall not be eligible for re-appointment.'.

No. 33, in page 42, line 43, leave out 'shall' and insert 'may'.

No. 34, in page 43, leave out lines 1 to 5.— *[Mr. Dowd.]*

Schedule 4

AMENDMENTS

Amendments made: No. 35, in page 47, leave out lines 5 to 7 and insert—

'"(4A) In the application of this section to the police force—

(a) in subsection (2) for the words "as expenses of the police authority" there shall be substituted the words "out of funds put at the disposal of the Chief Constable under section 10(5) of the Police (Northern Ireland) Act 1998"; and

(b) subsection (4) shall be omitted.".'.

No. 36, in page 47, leave out lines 22 and 23 and insert—

'"(4A) In the application of paragraph (4) to the police force for the words "as expenses of the police authority" there shall be substituted the words "out of funds put at the disposal of the Chief Constable under section 10(5) of the Police (Northern Ireland) Act 1998".".'.

No. 37, in page 49, leave out lines 32 to 34 and insert—

'"(3A) In the application of this Article to the police force—

(a) in paragraph (2) for the words "as expenses of the police authority" there shall be substituted the words "out of funds put at the disposal of the Chief Constable under section 10(5) of the Police (Northern Ireland) Act 1998"; and

(b) paragraph (3) shall be omitted.".'.

No. 38, in page 49, line 36, at end insert

'The Police (Health and Safety)(Northern Ireland) Order 1997 (NI 16)

25. In Article 7(3) of the Police (Health and Safety)(Northern Ireland) Order 1997 in the definition of "the relevant fund" after paragraph (a) there shall be inserted—

"(aa) in relation to the Royal Ulster Constabulary or the Royal Ulster Constabulary Reserve, funds put at the disposal of the Chief Constable under section 10(5) of the Police (Northern Ireland) Act 1998; and".'.— *[Mr. Dowd.]*

Order for Third Reading read.

7.37 pm

Mr. Ingram: I beg to move, That the Bill be now read the Third time.

I shall not detain the House much longer, but it is important that we comment on the considerable debates on Second Reading, in Committee and on Report. We have had another useful debate on all the issues involved in the Bill this evening.

The provisions of the Bill will establish a more efficient, effective, accountable and acceptable police service in Northern Ireland. It is worth reflecting briefly on the significant provisions in the Bill. It preserves the operational independence of the Chief Constable. He will remain free of partisan political control. It also preserves and more clearly focuses the role of the Police Authority. It introduces new police objective setting and planning mechanisms. Those will enable greater accountability of the police to the community through the Police Authority.

The Bill clarifies the responsibilities and roles of the partners in the tripartite structure. It enables financial responsibility for the day-to-day management of policing to pass to the Chief Constable from the Police Authority so that the local senior officer can be held accountable for the service that he or she delivers. The Bill also provides for the establishment of a new independent system for investigating police complaints. That measure, above all others, has received unanimous support.

The provisions of the Bill are therefore the building blocks on which other sensible improvements can be made if found to be necessary in the future. There is no doubt that the Bill has benefited from its passage through the Commons. I am extremely grateful to hon. Members from all parties for their contribution. I also thank the Police Authority, the RUC and the Independent Commission for Police Complaints for their valuable contributions as the Bill has proceeded through the House. All have had a major input in shaping the Bill. It will leave the House in a form that will command the full support not only of the House of Commons but of people across Northern Ireland.

As the House will be aware, while we were taking the Bill through its Commons stages, the on-going talks process resulted in the Good Friday agreement. That agreement, if endorsed by the people of Northern Ireland on 22 May, will result in the setting up of an independent commission on policing. Many of the key features of the Bill are identified in principles set out in the agreement and in the terms of reference for the independent commission, which will consider those essential ingredients of sound, effective and widely supported policing arrangements for Northern Ireland.

The independent commission will be truly independent and will look at the areas identified in its terms of reference; therefore, it can look at this legislation. However, I am sure that, when it does so, it will take due note of our deliberations and the support in the House and across Northern Ireland for the Bill's provisions.

The Bill will bring real benefits to all the people of Northern Ireland, because good, effective policing is at the very heart of any law-abiding society. It is a worthwhile and necessary measure, and I commend it to the House.

7.39 pm

Mr. Moss: I concur with most of what the Minister has just said. I went through the amendment paper and counted 38 Government amendments on Report, which is adequate testimony to the proper and detailed scrutiny that the Bill has received, both in Committee and on Report. The Bill was in gestation during the time of the previous Government, but considerable additions and changes have been made by the Labour Government and there are differences from the legislation that pertains in England and Wales. I give credit to the Minister and his team for the constructive way in which they have addressed the concerns expressed by Opposition members of the Committee. Despite political change, it was important to go ahead with the legislation.

Northern Ireland is disadvantaged by not having a Police Authority with appropriate powers to look after the public interest—powers that have been enjoyed for some

[Mr. Moss]

time by police authorities in the rest of the United Kingdom. The Bill not only defines an expanded role for the Police Authority for Northern Ireland, but gives it considerably enhanced powers and responsibilities. First and foremost, it is accountable to the general public and most of the amendments tabled in Committee were designed to clarify that role and strengthen the powers of the Police Authority to fulfil it.

The new and evolving political situation provides a changing backdrop for the Bill; it also raises questions about the future of the Royal Ulster Constabulary. The Opposition have been reassured by the Prime Minister's comments on a secure future for the RUC, but we would be most unhappy to see any developments that undermined the RUC's morale and efficiency.

We view the forthcoming commission as an opportunity, not a trial—an opportunity to put on the record in a conclusive and definitive way the significant contribution made by the RUC to law and order, to the normalisation of life in Northern Ireland and to general stability in society. Great sacrifices have been made by numerous brave officers in the face of threats and intimidation over many years and we commend that record of unstinting service, both to the Crown and to the communities of Northern Ireland. We are confident that the commission will reach similar conclusions as there is nothing to hide.

The Bill puts policing in Northern Ireland on a completely new level. The changes are to be welcomed, dealing as they do not only with the powers of the enhanced Police Authority, but with the new position of the police ombudsman. That breaks entirely new ground and is ahead of the legislation that applies to the rest of the United Kingdom. There are several areas in which the Opposition would still like to see some change and those will, no doubt, be the subject of debate in the other place. For the time being, the Bill is much better for the amendments that have been made.

7.43 pm

Mr. Maginnis: I suppose that there are times in one's life when one feels that the efforts that one has made here are ignored and unrewarded. I have endured that feeling on many occasions in the past and will probably do so on many occasions in the future. However, in this instance, I feel that the long hours that we have spent taking the Bill through its various stages have been worth while.

As someone who has been closely associated with the Royal Ulster Constabulary for many years, I have been deeply concerned at how external interests have had dominance over the interests of a police service that, not only for the past 28 years but for the past 42 years—with the exception of about nine uneasy years tucked in at various points—has had to place itself time and again as a bulwark between the law-abiding community and the terrorist. I sometimes get the feeling that that role is forgotten.

I had that feeling a couple of years ago when the Chief Constable was conducting his fundamental review and looking at the possibility of a peaceful society in Northern Ireland and at the ultimate necessity of downsizing the RUC. At that time, I searched for what the RUC, with its more than 300 dead policemen and its more than 7,000 injured policemen, had been given that was out of the ordinary and took account of the special circumstances in which it has to police, I looked at the £240 million that came from the peace and reconciliation fund and discovered that the RUC had not been given a single solitary brass farthing.

I raise that matter because, with the help of others who are friends of the RUC and who are concerned about the welfare of the RUC, and with the RUC federation, there was established at that time the Police Rehabilitation and Retraining Trust. Originally, it was hoped that the trust would provide on-going medical assessment for policemen who were suffering the physical and mental effects of so many years combating terrorism; and that, looking forward to a more peaceful society and the need to downsize, we would not have several hundred, 1,000, 2,000 or 3,000 policemen suddenly discarded without any consideration for their welfare. The trust has continued to work over the past couple of years with those aims in mind.

It is with a degree of enjoyment—there is no better word—that I acknowledge the work that the Minister of State has done since we first broached the subject with him five months ago. That work has led to the Prime Minister announcing yesterday a £4.5 million package to be used to provide physical and mental assessments so that members of the police in Northern Ireland will have access, at the right time, to the best medical care; and so that a policeman no longer feels he has to hide chronic illnesses, but knows that they can be dealt with efficiently and effectively. I hope that hon. Members of all parties will also approve the concept of retraining our police for the future, before the event. I am grateful that the Government have reacted so positively on that issue.

As we move hopefully towards, not just an agreement signed or assented to on 10 April or the referendum result that will come on 22 May, but greater accommodation and understanding between the two traditions in Northern Ireland, I should like to think that the role of the police will change to a considerable degree, so that both traditions will accord the sort of respect to our constabulary that they expect our constabulary to accord them. That process could begin if we do not create circumstances in which the police have to continue to occupy a position between the two traditions. It could begin if the nonsense and obscenity of Harryville comes to an end. It could begin if the nonsense and obscenity of those who oppose the church parade at Drumcree comes to an end.

If we are to have ultimate agreement in our society in Northern Ireland, there has to be respect between the two traditions. We cannot say that we believe in equity and equality of treatment if at the same time we are saying, "I cannot stand the sight of that person from the other tradition to the extent that he cannot walk to his church once a year or every Saturday evening."

The RUC has for many years been an anti-terrorist police force, but it has also fulfilled with great efficiency its role as a civil power. Its level of detection, ability to obtain convictions and crime prevention work, whether on burglary or drugs, are of considerable note. It is a successful constabulary, but it is to be examined once again. Examination is not a bad thing, except when it is repeated many times. The RUC seems always to be under the microscope.

The appointment of a commission will be crucial to the RUC's confidence and morale. The commission's task, first and foremost, must be to ensure the welfare of the RUC, now and in the future. I hope that, in the light of new arrangements, there will be a recognition that the RUC has a right to its history, just as we all believe that we have such a right. I hope also that the clamour for a change in name and for other unnecessary and mischievous changes will abate, and that, in the light of the Bill and what is to come, we shall consider carefully how our civil power can operate normally in a civil society.

The police recognise that downsizing is an inevitable consequence of peace, but I have never heard a policeman say, "I should like the violence and confrontation to increase because my job is at stake." I work closely with the police. They are always looking for the moment when they are rewarded for their years of working to protect society in Northern Ireland.

In the wake of the decision that we are making today, and of other decisions that have been made in the past couple of months, and in looking forward to constructive decisions that I hope will be made in the coming months, we should all adopt a compassionate attitude—I do not think that that is an exaggeration—to those who have faced so much on our behalf and who now have to go through yet another period of uncertainty, with retraining and perhaps even having to find a new job in the next four or five years. Our Royal Ulster Constabulary deserves that compassion. I am grateful to the Minister and those in his Department who have helped to make the Bill more acceptable to the interests of the RUC and of the Police Authority, which has an important role in ensuring that society has a channel to the law keepers and law enforcers.

7.56 pm

Mr. Mallon: Like other hon. Members, I am pleased and relieved that we have reached the final stages of the Bill. It has been a long, tedious and difficult Bill because of its innovations. In Committee and in the House we have debated policing without ever deviating to discuss the police. That tells us something about the process that we have been through.

The Bill is not a watershed, but it is certainly a signpost in the right direction. I am not being less than generous to it when I say that its principles will extend far beyond the time when the problem may start to be solved. That solution will come inexorably. When it does, the current and previous Governments can take great credit for having had the foresight to see that things were going to change and for trying to deal with that change constructively and positively.

We have dealt with a difficult aspect of Northern Irish life, as the speech of the hon. Member for Fermanagh and South Tyrone (Mr. Maginnis) showed. On one side of the community there is a deep emotional attachment to policing, but there is a chasm on the other side. We have to address that. We can deal with the technicalities in legislation, but the gap must be dealt with. The issue symbolises the division in our community. As the hon. Gentleman says, we must start to bind the wounds, because they are deep and are linked to powerful emotions throughout the entire community.

I come from a village that lost a number of people who were members of the Royal Ulster Constabulary. They were killed by IRA terrorists. I knew them. I knew their families. I know the effect that such loss has on an entire community, and I know how deep a residue it leaves on both sides—not only deep hurt, but a sense of guilt, which must be dealt with too.

I respond to the point made by the hon. Member for Fermanagh and South Tyrone by saying that if the new agreement is passed, as it will be on 22 May, it will be followed by an election, and it will then start to operate. Those are the technical elements of the agreement, but what are its essence and ethos? For the first time, what are now two communities in the north of Ireland will, we hope, start to work with a unity of purpose that will allow us to bind the wounds and to deal with the scars, to start the process of accommodation and to start the process—if I may use the term without sounding banal—of forgiveness, because that is what it will have to be.

We must start the process of restoring self-respect to everyone in the north of Ireland. That is one of the things that is at stake, especially in relation to what we have been discussing today. I could almost hear the sound of the post-colonial bugle in the speech made by the hon. Member for Fermanagh and South Tyrone—I could hear the emotion in it; but I suggest to him that there should be no feeling of triumphalism on either side. There should be no feeling of losing or winning in relation to this issue. There should be no feeling of getting one over the other fellow, or one community getting something other than what is agreed by the other community. I believe that, very quickly, once that approach starts to operate, it will solve the problems of policing, as it will solve the political problems, the problems of instability, the problems of bigotry and the problems of hatred—the problems whose roots are so deeply embedded in our entire community.

Good Friday and the week leading up to it were among the most remarkable days of my life, because there was a sense of something happening which was good and would never be lost. Participation in the Bill's passage has also been good for all of us, because when we look into the future, we realise some of the challenges that we must face. I look forward to facing those challenges alongside the hon. Member for Fermanagh and South Tyrone and all his honourable colleagues on the Opposition Benches. I look forward to facing up to the problems that we must deal with, binding the wounds that we have to bind and creating the self-respect for everyone that we must create as a priority.

Political leadership in Northern Ireland will be crucial. It is my belief that, when the agreement is implemented and the assembly is set up, the assembly will come of age when those in it agree to assume full responsibility for the process of policing and justice, because that goes to the heart of any society—agreeing how it will live. That is the primary responsibility that any political authority should seek.

That will not happen quickly and it will not happen without many problems—time will be of the essence in binding the wounds and bridging the gaps—but the assembly will have come of age when, in effect, the people of the north of Ireland, from all sides, together, assume responsibility for that crucial part of their lives.

I have spent 18 years as a spokesman on policing and justice, which I have found a fairly difficult area due to the divisions, tensions and aberrations of attitude in both communities, but I hope that there is one thing I never lost: the belief that, somehow or another, through time,

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by using our abilities, through whatever grace is given to us, we would be able to start together; Unionist, nationalist, republican, loyalist, Catholic, Protestant—call it what you like; one word will do me, people—in the north of Ireland, to solve these problems.

The hon. Member for Fermanagh and South Tyrone made a very proper and poignant reference to the fund for policemen who had been injured physically or mentally, and their families, because they have suffered greatly too. I want to be associated with those remarks. I want it to be known that I believe that it is right that those people should receive recognition and get whatever comfort they can be given. It is stark, but I believe that the greatest tribute that we can pay to all those who died—ordinary people, policemen, soldiers or whoever—in the past 25 years of barbarism is together to start to bind those wounds, and by binding them, solve these problems once and for all.

8.7 pm

Rev. Ian Paisley: I want to express a different point of view—one that will not surprise the House.

I stood in the European Parliament on Wednesday 29 April and I saw the Secretary of State and the Foreign Minister of the Irish Republic sitting together. I have heard some very good and rightful tributes to the Royal Ulster Constabulary, but one question is uppermost in the minds of the people of Northern Ireland. Under the terms of the agreement, those who have been amenable to the law for some of the murders of the 270-odd police officers and others who have died will be out on the streets in 24 months; and yet one police officer was murdered in the south of Ireland and the amnesty will not affect the man who murdered him. He stays—rightly, in my opinion—behind bars. I want to say on behalf of those who cannot speak—the 270 police officers: is the agony that their loved ones went through any different from the agony of that one wife in the south of Ireland? Some say that there are no winners, but there are winners in regard to that matter. The hon. Member for Newry and Armagh (Mr. Mallon) said that it goes very deep, but we cannot deal with the wounds except by facing up to them realistically.

The hon. Gentleman should not be too sure about 22 May. When the Prime Minister was in our country he had a conversation with various people. Everyone knows that Northern Ireland is a closely related society. He was worried about his opinion polls, and he mentioned figures that did not bear out what his opinion polls were telling him about 22 May. People should not think that ordinary Unionists in Northern Ireland will be bribed, bullied or attacked into not doing what they know in their hearts they should do.

Time will tell, but one thing is certain: the majority of the Unionist population will not be voting yes in the referendum. We shall see whether all parties stand on the same platform. We shall see how far there is a consensus, with a majority of one side of the community agreeing with a majority of the other side. The agreement departs from that principle because it makes it clear that if at any time 50 per cent. plus one—not the majority of each part of the population—say that Ulster should go into a united Ireland, the Governments of both countries will see to it that that takes place. The House should recognise that.

We are told in speeches that there are no winners, then we listen to what Gerry Adams says. Some members of the party to which the hon. Member for Newry and Armagh belongs are saying entirely different things—not what we have heard in the House today about the RUC, but about its destruction. They do not want a reconstructed RUC; they want a new police force in Northern Ireland. The people of Northern Ireland must consider that.

All over Northern Ireland there are sorrowing hearts. There is no difference between the sorrow of a Protestant mother and that of a Roman Catholic mother. There is no difference in the heart's agony. I have been in the homes of both communities, and I know what I am speaking of. I have perhaps attended more funerals in both communities than any other person. I know how they feel.

The House must not think that the Bill will serve as a magic wand and change the entire situation. The hon. Member for Fermanagh and South Tyrone (Mr. Maginnis) knows how divided his party is on the issue and how the majority of the official Unionist Members of Parliament feel about it. Elected representatives know the feeling of their community and they know the feeling that motivates that community.

As I said on Second Reading, I do not believe that the Bill was brought before the House so quickly just because the Government were anxious to deal with it. The arrangement was a sop to republicans. I reminded myself of what the hon. Member for Newry and Armagh said in his speech on Second Reading, when we discussed the oath that the police take to Her Majesty the Queen, which the Bill will do away with. He said:

"I welcome the change in the affirmation or oath, although I do not believe that it will make any fundamental difference to the problem."—[*Official Report*, 15 December 1997; Vol. 303, c. 57.]

There is reality. Other people think that if they remove this, that and the other, they will have solved the problem. They will have done nothing of the sort. The solution will be accomplished only when all men are equal under the law and all are equally subject to the law. The agreement deviates fundamentally from that principle.

As I said to the Prime Minister on one occasion, there was a terrible tragedy in Scotland. Young people were mown down by a gunman. There was heartbreak and heartache. What happened? The previous Government, and the Government formed by the right hon. Gentleman when they came to power, decided to take the licensed guns from everyone. That legislation went through the House and those who held on to their guns would get a maximum penalty of 10 years in gaol.

We have arsenals of arms—not licensed guns, but guns that have done some of the most horrendous murders, brought tears to the widows and orphans, split families, destroyed society, and spread grief and harm. Yes, those guns are held by both sides of the community, yet the Government do not say, "Bring in those guns. Let them all be taken in." The policy of the talks was that their surrender must be a mutual process: those who held murder weapons must mutually agree to hand them in. That day will never dawn.

I have heard people say that the ghosts of the past haunt us, but it is not the ghosts of the past that haunt the people of Northern Ireland tonight. What haunts them tonight is the reality of the present and the future, when gunmen will be in the streets and have access to those arsenals of

arms and be ready to use them if they do not get their way, as they have in the past. That is what worries the people of Northern Ireland, and the Bill does not deal with it. People here do not want to discuss the matter, but it hangs as a shadow over the future of my Province. Such matters cannot be swept under the carpet; they must be faced.

There is unity on one part of the Bill, as I mentioned, and I am glad of that, but much of the rest of the Bill is a sop to republican thinking. We could have waited until the commission was in place, but the tide of time will run on to 22 May and beyond. We shall see what is in the minds and the hearts of the people of Northern Ireland. No £3 million will be spent by the ordinary people in Northern Ireland on the referendum. That will be Government money. No special money will be set aside by so-called business interests to promote their attitude among the people. The ordinary man in Ulster will do his duty and his voice will be heard. I hope that the House will listen to it because, time and again, it has not heeded the voices of the ordinary people of Northern Ireland.

I remind the House of the Anglo-Irish Agreement, which was supposed to heal the malady. The House may remember that hon. Members from the Unionist groupings left this place and fought an election—and we know the results of that election. The people spoke, but they were not listened to. The people gathered, and they were not listened to. Perhaps on this occasion they will be listened to. In heeding the voice of the people, we shall find the way forward for Northern Ireland.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

CHAMBER OF COMMERCE (PROTECTION OF TITLE) BILL

Ordered,

That the Chamber of Commerce (Protection of Title) Bill, now standing committed to a Committee of the whole House, be committed to a Standing Committee.—*[Mr. Dowd.]*

Lighter Fuel Abuse

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Dowd.]*

8.20 pm

Mr. Gerry Sutcliffe (Bradford, South): I am pleased to have this opportunity to raise the subject of solvent abuse, particularly in relation to lighter fuel and butane gas, but I am sad to have to do so because of the tragic consequences of that abuse. The matter has been discussed many times in the House through oral questions, written questions and early-day motions.

Death is always traumatic, but the needless and tragic death of a young person who seemed to have the prospect of a bright future leaves us with a sense of disbelief and despair. Chantelle Bleau died on 1 December 1997 at the age of 16 after sniffing gas lighter fuel. Chantelle was studying for 11 GCSEs and was an active and bubbly teenager involved in drama and music. She had many friends, and was active in the community. Her loving family are devastated by the loss of their daughter and sister.

Mrs. Bleau said that they were a very close family, and that there were no symptoms or signs of what Chantelle was doing. She said:

"I just don't know why she did it. I think some kids experiment with drugs and get away with it. But Chantelle hasn't; she has paid with her life."

The sad irony is that Chantelle was successful in gaining a part in an anti-drugs play called "Deadly Deals", which toured local schools raising drugs awareness issues.

Chantelle's parents and her community, in their grief, have vowed to do what they can to prevent a similar tragedy from happening to other families. They have set up a memorial fund designed to raise the awareness of teenagers and parents to the dangers of inhaling toxic solvents and gases. They hope to do that by establishing a resource centre to provide information about the dangers and effects of gas inhalation; by promoting publicity campaigns targeting vulnerable groups; by providing and training a team that will raise awareness in schools and youth clubs; and by establishing a support group for families that are affected by solvent abuse.

I pay tribute to all who have participated in the fund, particularly Yvonne Hutchinson, the fund co-ordinator, and members of the Abundant Life Centre church. I also commend our local newspaper, the *Telegraph and Argus*, which, through its reporter Nick Oldham, has done sterling work in raising the issues. I am pleased that the fund has received support from the entire community in our area.

If only Chantelle's death was an isolated incident, but sadly it is not. According to Re-Solv, a national organisation established in 1994 to prevent solvent abuse, volatile substance abuse kills more young people than any controlled drug. A Home Office report said that, between 1984 and 1996, more than three times as many young people under the age of 20 died from volatile substance abuse as from other illegal drugs. In Yorkshire alone, there has been a dramatic increase in the number of deaths—up to 200 per cent.—in the past two years.

A direct comparison of deaths reveals that, between 1989 and 1995, Ecstasy killed 60 young people, while 660 young people died as a consequence of VSA. That is

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a ratio of 11:1. They are horrific figures. There was some hope that the figures were declining, but the figures for 1995 brought an abrupt halt to that decline. VSA killed 68 young people in that year—a 17 per cent. increase on the previous year. In one in five of those deaths, there was no previous history of abuse—but the victims did not get a second chance.

Another terrible tragedy was the death of Christopher Smith, who was only seven years old. He was found in the cab of an abandoned pick-up truck at a travellers' camp. There have been many more tragic deaths. Kevin Gregory, aged 15, died in March 1996 as a result of sniffing lighter fuel. Doctors smelled lighter fuel when he was taken to hospital, and his brother found a canister under his bed. Mark Campbell, who died in June 1996 aged 17, was found in a flat surrounded by canisters. He had been lonely and bullied. Glen Brooks, aged 15, was found dying on a playing field with canisters around him. We could recollect many such tragic cases this evening. Doctors are calling the epidemic "sudden sniffing death".

North Yorkshire county council trading standards officers took a 14-year-old girl to 20 shops. In 19, she was able to buy adhesives and gas—only one shop refused her. Trading standards officers up and down the country are calling for regulations that work. They have suggested regulations similar to those governing the sale of tobacco as a possible solution to the problem.

I applaud and congratulate Re-Solv, which works with the all-party group on solvent abuse—it was established because of the scale of the problem. I am pleased that my hon. Friend the Member for Delyn (Mr. Hanson) is in the Chamber. He was a director of Re-Solv before he came to the House, and I know that he wishes to contribute to the debate this evening.

Various solvents are the subject of abuse, including adhesives, aerosols, dry cleaning and de-greasing agents, fire extinguishers, paint, paint thinners, paint strippers and fuel gases. I shall concentrate on fuel gases, such as butane, which killed Chantelle. Butane is colourless and odourless. Manufacturers must find ways of increasing consumer awareness and education, and of notifying the public of the dangers of butane. Changing the nozzles on butane lighter refills might help, or perhaps an unpleasant-smelling substance could be added to the butane to discourage people from inhaling it.

We must ask the manufacturers to co-operate even further by issuing tougher warnings. If that co-operation is not forthcoming, the next step may be to ban lighter refuelling. There are many throwaway lighters on the market, so why do we need lighter refills that are so dangerous and so accessible to young people?

In raising this case tonight, it is my intention and that of my hon. Friends the Members for Bradford, North (Mr. Rooney), for Bradford, West (Mr. Singh), for Shipley (Mr. Leslie) and for Keighley (Mrs. Cryer), who have supported the fight, to add our weight to the campaign for greater awareness and education and tighter restrictions to prevent more young people from ending up like Chantelle. I am pleased to say that the fund is supported by the Leader of the House and by the drugs tsar, Keith Hellawell. I know that Ministers are considering introducing restrictions on the sale of solvents.

We must do something about this epidemic. We cannot allow cases such as Chantelle's to develop. We must ensure that there is greater education and awareness. The parents of Chantelle Bleau and the local community have tried to ensure that this tragedy does not happen to others. I hope that the Minister will explain how the Government will try to put the matter right. In light of the figures that have been cited, this problem must be addressed. Many young people are dying as a result of trying a substance that they do not believe to be harmful.

I am happy to have had the opportunity to raise the issue in this Adjournment debate. I know that my hon. Friend the Member for Delyn wishes to contribute, and I look forward to hearing the Minister's response.

8.29 pm

Mr. David Hanson (Delyn): I am grateful for the opportunity to contribute to the debate, and I am grateful to my hon. Friend the Member for Bradford, South (Mr. Sutcliffe) for raising this important issue. I look forward with interest to hearing what my hon. Friend the Under-Secretary says in reply.

I simply seek to support my hon. Friend the Member for Bradford, South because, for the six years that I have been a Member of the House, I have been secretary of the all-party group on solvent abuse, and, before entering the House, I worked in a professional capacity helping with the reduction of solvent abuse. I remain concerned about the level, impact and effect of solvent abuse, and the need for a strategy to deal with the issue in future.

As my hon. Friend said, on average three young people will die each week from the abuse of solvents and volatile substances. Those products are available in the home and in the garage. They are products which you, Mr. Deputy Speaker, and I buy for perfectly legitimate purposes—for painting the house or varnishing the floor, for hair spray or nail polish, and for correction fluid. In particular, my hon. Friend highlighted butane gas for cigarette lighters. Each of those products has a legitimate use, but each and every one can be used, particularly by young people because of their availability, leading, in some cases, to instant death.

Legislation is on the statute book dealing with solvent and volatile substance abuse. The Intoxicating Substances (Supply) Act 1985, promoted by the then hon. Member for Tynemouth, Neville Trotter, restricts and regulates the sale of potentially abusable products to people under the age of 18 if the shopkeeper or retailer feels that those products are being bought for the purpose of abuse.

Greater education, enforcement and understanding of that legislation is needed so that all retailers are aware of it and have the support of trading standards officers in its random enforcement, and so that local authorities can ensure that the Act is understood and well known.

The recent drugs strategy of my right hon. Friend the Leader of the House is also helpful. That strategy covers solvent and volatile substance abuse. It is important that the need for the strategy is made known and understood, so that parents, teachers, youth workers and others in positions of responsibility for the well-being of young people understand the nature of such products, their potential dangers, and the reasons why young people abuse them.

In particular, we need to tackle the issue in schools and deal with the big problem of peer group pressure for seven to 12-year-olds whose friends encourage them to try

something. We must establish strategies to give young people the resilience to understand the problem and the products available, and to be able to resist the pressures and say no.

I re-emphasise what my hon. Friend the Member for Bradford, South said about butane gas in particular. In reply to a parliamentary question of mine on 6 April, the Minister of State, Department of Health, my hon. Friend the Member for Darlington (Mr. Milburn), stated that, in the 10 years from 1985 to 1995, 465 people died as a result of butane gas lighter abuse alone. That does not take into account any other form of solvent abuse. Of those, 48 were under the age of 14, and 286 were under the age of 19.

I am aware that my hon. Friend is considering consulting on the practicality of introducing a limit of 16 years of age on the sale of gas lighter refills, as the Under-Secretary of State for the Home Department, my hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth), said in a parliamentary written answer. I simply say that butane gas is the real killer in terms of solvent and volatile substance abuse. That is what is killing most young people at the moment, and killing them early and quickly. That consultation needs to take place soon. I hope that my hon. Friend will open it up, so that retailers, trading standards authorities and individuals such as parents can contribute and make the consultation valid.

The 465 deaths from abuse of butane gas lighters show that there is an argument to bring the sale of that product into line with the sale of cigarettes. Most people use butane gas lighters to light cigarettes. It is illegal to buy cigarettes under the age of 16, so I see no reason why it should not be the same for volatile substances.

My hon. Friends the Members for Leeds, East (Mr. Mudie) and for Cardiff, Central (Mr. Jones) have taken a great interest in the subject. I shall ensure that the campaign continues to reduce the number of deaths. I am grateful to my hon. Friend the Member for Bradford, South for allowing me to contribute.

8.35 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Mike O'Brien): I am grateful to my hon. Friend the Member for Bradford, South (Mr. Sutcliffe) for seeking this important debate, and for his contribution and that of my hon. Friend the Member for Delyn (Mr. Hanson) to this important issue.

I am sorry to hear of the death of the constituent of my hon. Friend the Member for Bradford, South, Chantelle Bleau, from lighter fuel abuse. Her family and friends have my sympathy, and I ask my hon. Friend to convey that sympathy to them.

Volatile substance abuse, of which lighter fuel abuse is a part, is a phenomenon which has been with us for all too long. Although there were instances of abuse before, it was not until around 1970 that it began to grow to worrying levels. At that time, the police began to detect significant incidents of industrial chemical inhalation by young people, mainly in inner-city areas. Gradually, over a period of a few years, outbreaks of abuse emerged in other parts of the United Kingdom, without any apparent geographical pattern.

With no sign of the problem diminishing, and with mounting public concern, in 1985 Parliament passed the Intoxicating Substances (Supply) Act, to which my hon. Friend the Member for Delyn referred. That Act did not make it an offence to possess abusable substances or to indulge in volatile substance abuse, but made it an offence for retailers to sell abusable substances to people under 18, knowing or believing that they were to be abused.

The Act therefore addressed and continues to address the position of the unscrupulous retailer. Many conscientious retailers have subsequently trained their staff and adopted policies—for example, by not displaying solvent-containing glues—aimed at reducing the opportunities for young people to lay their hands on these substances. The British Aerosol Manufacturers Association has provided advice to retailers. Such moves are welcome.

The Act did not make it an offence to possess or abuse the substances, because there was a fear of driving the abuse underground, making it more difficult to help if it were needed because substance abuse had produced an injury, possibly leading to death. Because of the wide range of substances which can be abused, and because of their widespread availability in the home and elsewhere, the Act was never going to be a cure-all. However, it played, and continues to play, a part in reducing access to the whole range of abusable products.

If my hon. Friend the Member for Bradford, South has not already read it, I commend to him the report of the Advisory Council on the Misuse of Drugs which was published by Her Majesty's Stationery Office in 1995. The report, and the then Government's response to it, made it clear that wide-ranging action by a number of agencies, including the Government, was necessary.

For example, prevention and education initiatives were necessary to help divert young people away from abuse; training was necessary for professionals working with young people; and measures were needed to reduce accessibility to abusable substances. Those suggestions have all been followed through. The report drew special attention to the risks of gas lighter refills, to which I shall return later.

The Health Education Authority has run several publicity campaigns on behalf of the Government, specifically dealing with VSA and its potentially lethal effects. Information about the dangers of VSA is also included in all the HEA's general resources about drug misuse.

My hon. Friend may be aware that concern is sometimes expressed about referring to "gases, glues and aerosols" in drugs prevention literature. The suggestion is that that may signpost young people towards thinking of them as substances of abuse. Some aspects of solvent abuse are quite distinct from other forms of drug abuse. As my hon. Friend the Member for Delyn said, the majority of substances abused are legitimate household products, which, if used as intended, pose no discernible risk. Nevertheless, volatile substances are abused to achieve a state of intoxication in much the same way as illegal drugs—sometimes with fatal consequences.

In developing our new anti-drugs strategy, which was published last week, we took account of VSA, and acknowledged that it will often be appropriate for drugs education and prevention activities to include information about volatile substances and other substances of abuse.

Surveys suggest that a small number of eight to 10-year-olds experiment, while 5 to 10 per cent. of teenagers may have engaged in volatile substance abuse

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at some time. Those are frightening statistics. Given the early age at which such substances are sometimes first used, and the concern that sudden death sometimes occurs at first use, all schools should consider the place of education about the dangers of volatile substance abuse within their drug and health education programmes. As with other education about drugs, pupils need information and the skills to make healthy decisions and resist experimentation.

Drug education, including that about solvents and other legal substances such as alcohol and tobacco, is already a statutory requirement, as part of the national curriculum science order, at each of the four key stages. The guidance in the Department for Education and Employment's "Drug Prevention and Schools" circular, which was sent to all schools in 1995, was intended to encourage schools to approach the whole subject in a better and more targeted way. The DFEE plans to issue further guidance on drug education this year to support and underpin the Government's new anti-drugs strategy.

To ensure that national support is available for all professionals who need information about VSA, advice on training and guidance on best practice, the Department of Health funds the National Children's Bureau solvent misuse project. The project has responded to numerous requests for information, not only from professionals but from the media and those undertaking research into the issue.

To complement that information resource, the Department of Health also funds the solvent abuse resource group to lead the development of a network of local agencies that are active in finding solutions to the problems of VSA and in supporting the families of abusers. That is often neglected, but we must ensure that it is done. We understand that the resource group and the Chantelle Bleau memorial fund are now in contact with each other.

It is also important that purchasers should be aware what products can be abused, and the dangers of abusing them. To that end, last October, following consumer safety research carried out by the Department of Trade and Industry in consultation with the industry, new clear warning labels for abusable products have been developed. Manufacturers are voluntarily introducing the new warning label messages, which is to be welcomed. The message is clear and simple, and in line with other health advice on that subject: solvent abuse can kill instantly.

The ability of solvent abuse to kill instantly makes it a nasty problem. St. George's hospital medical school collects data on solvent-related deaths on the Government's behalf. Deaths peaked in 1990, when 151 people died. A steady decline to 58 deaths was recorded in 1994. However, in 1995, the last year for which figures are available, the figure increased to 68. Although the overall downward trend is to be welcomed, it is no cause for complacency on the part of the Government or any other organisation with a role to play in responding to the problem. The high proportion of deaths that occur from abusing gas lighter refills—some 50 per cent.—is of particular concern.

The danger of gas lighter refills was identified in the report of the Advisory Council on the Misuse of Drugs. It recommended that their size be limited to a maximum of 25 ml, to reduce the available dose and therefore the possibility of immediate death or injury. The DTI pursued that recommendation with the industry. I understand that, although several companies responded positively by voluntarily introducing a 25 ml gas lighter refill, others remained unconvinced that the smaller can would prove safer than the normal-sized 250 or 300 ml refills. Progress towards an industry-wide agreement to reduce the refills to a maximum size of 25 ml has also been hampered by anti-competitive considerations and practical difficulties.

I cannot hide my great disappointment, or that of the Government, that it has not been possible to make 25 ml the accepted maximum for gas lighter refills. That held out the prospect of an across-the-board step forward on this issue, but we must now accept that it is not to be—at least in the short term. My hon. Friend the Member for Bradford, South proposed other methods, such as making the abusive substances smell unpleasant. Those possibilities need to be explored.

My hon. Friends the Members for Bradford, South and for Delyn suggested that another means of reducing deaths from lighter refills would be to prohibit their sale to young people. That suggestion has also been made by various trading standards authorities and by Re-Solv, the Society for the Prevention of Solvent and Volatile Substance Abuse. We are grateful to them, and believe that such a measure must be considered. We therefore intend very shortly—I hope in the next week or two—to consult on a proposal that sales of gas lighter refills to persons under the age of 16 be made illegal. It is important to make it harder for those potentially deadly products to get into the hands of young people.

Volatile substance abuse is a distinctive and difficult phenomenon to address. I hope that, from what I have said, my hon. Friends will understand the great seriousness with which the Government regard it. Misuse of gas lighter refills is one element—the most dangerous—as my hon. Friends' constituents know to their cost. They have my sympathy. Through the consultation exercise on which we are about to embark, we intend to assess the value of introducing a measure to tackle the specific dangers of gas lighter refills. I hope that my hon. Friends will support us in our search for a long-term, practical and effective solution to this problem.

Question put and agreed to.

Adjourned accordingly at thirteen minutes to Nine o'clock.

House of Commons

Friday 8 May 1998

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PETITION

M25 (Noise)

9.34 am

Mr. Crispin Blunt (Reigate): This petition is from 591 residents of the village of Walton-on-the-Hill in my constituency in the borough of Reigate and Banstead, Surrey. That is three quarters of the electors of the village of Walton-on-the-Hill. The petition

Declares that their health is being affected and their quality of life is being seriously eroded as a result of the high level of noise from vehicles using the adjacent M25 motorway. Some residents are finding it difficult to sell their homes.

The Petitioners therefore request that the House of Commons urges the Minister of Transport to ask the Highways Agency, with, if required, the assistance of the local authority, to monitor the present levels of noise and should it be established that the average level is significantly higher than that prior to the motorway widening, the present short distance of concrete surface be covered with porous asphalt in order to greatly reduce the present noise levels.

And the Petitioners remain, etc.

To lie upon the Table.

Hillsborough

Motion made, and Question proposed, That this House do now adjourn.—*[Jane Kennedy.]*

9.35 am

The Secretary of State for the Home Department (Mr. Jack Straw): The disaster at Hillsborough stadium on 15 April 1989 was one of the most appalling events that this country has experienced since the war. Ninety-six people were killed—many of them children. The grief for such a loss would have been unbearable whatever the circumstances, but there is an extra reason why that day has been such a trauma for the relatives and friends of those killed or injured.

The deaths could not be explained by some act of God: by some event of nature so unforeseen as to be beyond the culpability of any human being. Instead, from the second that the Leppings lane gate was opened, this was a disaster whose root was entirely human, caused by the error, incompetence, complacency or worse of people entrusted to secure the safety of those who attend football matches.

The Home Secretary of the day was entirely right to establish, just two days after the disaster, a full inquiry under one of the most senior and respected judges of the time, Lord Taylor of Gosforth. Lord Taylor's inquiry took oral evidence from 174 witnesses at public hearings during May and June 1989. It considered many other statements and more than 70 hours of video evidence. In his interim report published in August 1989, Lord Taylor found that the disaster had a number of causes. He did not attribute all the blame to a single cause or person, but in paragraph 278 he concluded:

"The main cause of the disaster was the failure of police control."

Inquests were held by the coroner for South Yorkshire to determine the statutory questions as to the identity of each of the deceased and when and how he or she had died. In March 1991, after hearing the evidence of around 200 witnesses, the inquest jury returned verdicts of accidental death in respect of all the victims.

An investigation was conducted by West Midlands police and supervised by the Police Complaints Authority to establish whether there were any grounds for criminal or disciplinary proceedings arising from the tragedy. The Director of Public Prosecutions considered the West Midlands police report and took advice from Queen's counsel. The director's decision was that no one should face prosecution as a result of the events that day. The Police Complaints Authority decided that Chief Superintendent Duckenfield and Superintendent Murray should face disciplinary charges of neglect of duty.

In November 1990, Chief Superintendent Duckenfield retired from the force on the ground of ill health before disciplinary proceedings could be completed. Under police regulations, a disciplinary hearing cannot proceed when a police officer retires. The Police Complaints Authority subsequently decided to withdraw the charge against Superintendent Murray because it considered that it would have been unfair to pursue what was, in effect, a joint charge in the absence of the more senior officer.

Lord Taylor's inquiry and report were as thorough and impartial as one would expect of the work of such a great judicial figure. His report led to lasting improvements in

[Mr. Jack Straw]

the safety of football grounds, and in crowd behaviour and control. However, there has been sustained criticism of the coroner's inquests and, above all, of a police discipline system that was so defective that no one was brought to book.

Concern that the inquests had not been properly conducted led six bereaved families to seek a judicial review. Their application was heard in 1993. The divisional court of the High Court investigated the matter with great thoroughness. It looked in particular at the 3.15 pm cut-off point, but decided that there were no grounds for overturning the 1991 inquest verdicts. However, the sense of grievance of many of the families only increased with the passage of time, and they decided that more should be done to get at the truth, as they saw it, of what had happened. With the full co-operation of the Hillsborough family support group, the author Jimmy McGovern decided to prepare a drama-documentary for Granada Television. Entitled simply "Hillsborough", the two-hour programme, broadcast on 5 December 1996, presented a powerful picture of the tragedy. It suggested that fresh evidence that had not previously been considered called into question the verdicts of the inquests, and other decisions.

I must declare an interest. For two years before I entered the House in 1979, I worked on the staff of Granada's "World in Action". Some people whom I knew then, such as Ian McBride, helped to put "Hillsborough" together. I knew, and know, them to be journalists of great tenacity and integrity.

Following the programme, my hon. Friend the Member for Liverpool, Walton (Mr. Kilfoyle) secured an Adjournment debate on 17 December 1996. I attended that debate, and listened with care to what my predecessor, the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), said about whether the inquiry should be reopened. In the run-up to the general election, a great many hon. Members who represented Merseyside or the bereaved families approached me about the need for further investigation.

Many of my hon. Friends will wish to speak today; however, I want to mention some right hon. and hon. Friends who, although they are intensely concerned about the matter, cannot speak in the debate, as they are now Ministers. They are my right hon. Friend the Member for Birkenhead (Mr. Field), and my hon. Friends the Members for Walton, for Wallasey (Angela Eagle) and for Liverpool, Wavertree (Jane Kennedy).

Following the representations that I received before the election, I thought that there was a case for a thorough examination of the matter. Within days of coming into office, I began to consider whether any of the inquiries should be publicly reopened. After thorough examination, I concluded that there was, on the face of it, sufficient evidence to warrant further investigation. However, as there had been a very thorough inquiry by Lord Taylor, very lengthy inquests and a disciplinary inquiry by the West Midlands police, I decided that what was needed in the first instance was judicial scrutiny of the new claims, to determine whether formal inquiries should be reopened.

Lord Justice Stuart-Smith, a senior Lord Justice of the Court of Appeal, was eminently qualified to conduct an independent and thorough scrutiny of the evidence. I gave him very wide terms of reference that enabled him to establish conclusively whether any material evidence had been overlooked, and to recommend appropriate action. Those terms were:

"To ascertain whether any evidence exists relating to the disaster at the Hillsborough Stadium on 15 April 1989; which was not available:

(a) to the Inquiry conducted by the late Lord Taylor; or

(b) to the Director of Public Prosecutions or the Attorney General for the purpose of discharging their respective statutory responsibilities; or

(c) to the Chief Officer of South Yorkshire police in relation to police disciplinary matters;

and in relation to (a) to advise whether any evidence not previously available is of such significance as to justify establishment by the Secretary of State for the Home Department of a further public inquiry; and in relation to (b) and (c) to draw to their attention any evidence not previously considered by them which may be relevant to their respective duties; and to advise whether there is any other action which should be taken in the public interest."

I appointed Lord Justice Stuart-Smith on 30 June 1997. I published his report on 18 February 1998. I want to place on record, again, my thanks to him for the thoroughness and impartiality with which he conducted his scrutiny. Anyone who has read the report thoroughly will, I believe, be bound to reach the same conclusions as he did, that reopening the inquiries would serve no purpose whatever.

Let me explain why that must be so. First, there is the overriding issue of who was to blame for the disaster. If blame had not already been allocated, there would unquestionably be very good grounds for a further full public inquiry, but we have known since Lord Taylor's report that Sheffield city council, Sheffield Wednesday football club and, principally, South Yorkshire police were to blame.

Far from resiling from that judgment—or taking part in a whitewash, as some have ludicrously charged—Lord Justice Stuart-Smith repeated Lord Taylor's conclusion in the most strident terms. Indeed, he stated that Chief Superintendent Duckenfield had uttered a "disgraceful lie" about gate C being opened by fans, and he quoted with approval Lord Taylor's "stinging rebuke" of South Yorkshire police for failing to concede that they were in any respect at fault.

Lord Justice Stuart-Smith also unearthed the fact that some of the original statements made by individual police officers had been edited by solicitors acting for South Yorkshire police. At appendix 6, he gives an example. He considered whether the statements were covered by legal professional privilege—that was a real issue—but concluded that such privilege did not apply. He consequently said that the statements should be made public. I have made every such statement available to the Hillsborough family support group, and placed copies in the Library of the House.

The new claims put to Lord Justice Stuart-Smith by the television programme and the Hillsborough family support group fell principally into two groups: first, the video evidence, and, secondly, that relating to the 3.15 pm cut-off point for the inquest. Let me deal with them in turn.

First, there is the question of missing video tapes, and the importance that can be attached to them. Two tapes were indeed stolen. Their theft—still unsolved—understandably heightened concern about a cover-up,

which was compounded by the extraordinary and pervasive denial of responsibility by South Yorkshire police at the time. However, the crucial thing about the tapes was that they contained no material evidence that was not otherwise available. One was entirely blank, as the camera concerned had been pointing at a blank wall. The other showed turnstiles 9 to 16 at the Leppings lane end, next to turnstiles A to G, which were monitored by police closed circuit television camera 1. What happened on those turnstiles was recorded on both the police tape known as TB2 and tape RJH2, which consists of camera output viewed in the club control room.

As hon. Members will know from page 20 of the report, counsel for the Hillsborough family support group made five submissions about video evidence on behalf of the group.

The first submission was that the police blamed their failure to see the overcrowding in pens 3 and 4 of the Leppings lane end on camera 5 being defective when it was not. The second submission was that the evidence of the video tapes taken from camera 5 was deliberately suppressed and concealed. The third was that the coroner deliberately failed properly to pursue the question of the "missing video evidence". The fourth was that police officers gave deliberately false evidence that camera 5 was not working correctly, and the fifth was that evidence from Mr. Roger Houldsworth, a closed circuit television technician in the club control room, had been suppressed. Mr. Houldsworth, who featured so prominently in the Granada Television programme, claimed that he could see from monitoring police cameras that pens 3 and 4 were overcrowded, and that a dangerous situation was likely to arise because of the influx of fans through gate C.

Lord Justice Stuart-Smith goes through each of the submissions with great care, and I shall spell out his conclusions. The first allegation was that the police blamed their failure to see overcrowding in pens 3 and 4 on camera 5 being defective when it was not. Lord Justice Stuart-Smith describes that allegation as "quite untenable" because he says that it was clear that the police could see what was happening with their own eyes. He describes the second allegation, that the evidence of the video tapes from camera 5 was deliberately suppressed as "completely unfounded" as the vital tapes, TB1 and TB2, were at all times, together with the schedule of their contents, available to be seen by the legal representatives of the families.

The third allegation that the coroner deliberately failed properly to pursue the evidence and the issue of the missing video evidence is described by Lord Justice Stuart-Smith as "unfounded" as there never was any missing footage from the relevant tapes. The two missing club tapes are not relevant to the issue, and the learned judge said that the coroner dealt perfectly properly with the jury's request to see the camera footage of the terraces. The fourth allegation was that police officers gave deliberately false evidence that camera 5 was not working correctly. He describes that submission as

"evidence wholly insufficient to warrant consideration of criminal proceedings against any police officers".

He noted that even if the extent of any defect in what camera 5 was showing was exaggerated by the police, it was of no consequence, and Lord Taylor took no notice of it in his considerations.

The fifth allegation was that evidence from Mr. Roger Houldsworth was suppressed. On that submission, Lord Justice Stuart-Smith emphasises that Mr. Houldsworth's existence, and his evidence, were known to the Taylor inquiry and to the coroner, and that his evidence, even if correct, would not have had any effect on the previous proceedings. Lord Justice Stuart-Smith also deals with the credibility of Mr. Houldsworth. He says that he was

"unable to accept that his recollection of events now is accurate"

and he adds:

"the importance of his evidence has been exaggerated out of all proportion".

The second area of new claims related to the inquests. At the start of the main inquest, the coroner ruled that he would cut off the inquiry at 3.15 pm, the time by which he considered that all those who died had received the injuries that caused their deaths. That cut-off point has long been a matter of controversy for the families. After careful consideration of the proceedings of the inquests, Lord Justice Stuart-Smith found that there were no grounds to conclude that the conduct of the inquests was flawed. He says that the cut-off point did not limit the inquiry that was undertaken by the inquests and that it was never suggested by the coroner that all those who died did so before 3.15 pm.

The inquest jury heard evidence about those who died after arrival at hospital and about those who were treated and recovered. It was only in relation to how and by what means the deceased came to their deaths that the cut-off time of 3.15 pm was imposed. Therefore, evidence that some people died after 3.15 pm would not affect the outcome of the inquest. That matter is profoundly important to our understanding of what happened and in explaining to the families why the 3.15 pm cut-off did not produce the injustice that they claim.

For the benefit of the House and of the families, I repeat what the coroner said, which is an incontrovertible truth, that by 3.15 pm the principal cause of death, that is, the crushing, was over. That had finished by about 3.5 pm, which means that the evidence about the principal cause of death was bound to be over by 3.15 pm. He never suggested, nor was the inquest jury led to believe, that the inquest was interested only in those who had died by 3.15 pm. As I have said, there was evidence relating to those who had died after 3.15 pm and about those who were treated and recovered.

Other allegations related to the rescue operation and to alleged improper interference with witnesses. Lord Justice Stuart-Smith noted that Lord Taylor had inquired into the rescue operation and had criticised the slow response of the police. Lord Justice Stuart-Smith found no evidence of want of care by the emergency or medical services and, in his view, no purpose would be served by any further inquiry into that aspect of the disaster.

Lord Justice Stuart-Smith investigated in some depth allegations that certain witnesses were pressurised by the West Midlands police to change the evidence that they wished to give. He concludes that there was no improper attempt to affect their evidence. As I have said, he also examined carefully the statements that the South Yorkshire police obtained from their own officers, some of which were amended on the advice of force solicitors. He is satisfied that the Taylor inquiry and the inquest were not in any way inhibited or impeded by what took place.

[Mr. Jack Straw]

In a very few cases, which are referred to in appendix 7 of the report, what was excluded was either factual or comment in which factual matters were implicit, and the learned judge says:

"it would have been preferable for those matters not to have been excluded".

Against that background, the question is what a further opening of full inquiries, or inquests, or disciplinary procedures could achieve. A reopening of Lord Taylor's inquiry would serve no purpose, and since I published Lord Justice Stuart-Smith's report on 18 February, I have heard no convincing argument against that view. There was no cover-up by Lord Taylor or by Lord Justice Stuart-Smith. The reverse is the case: both laid the blame fairly and squarely on the police. Thankfully, as a result of Lord Taylor's recommendations, there has been a significant improvement to safety at sports grounds and his recommendations have long since been implemented.

When I talk to the bereaved families, I find that much of their anger continues to focus on the inquests and on the police disciplinary procedures. In terms of the inquests, there was no evidence before Lord Justice Stuart-Smith that could result in an application by the Attorney-General to set aside the inquest verdicts, not least because the conduct of the inquests was so thoroughly examined by the divisional court.

I have two additional points to make about the inquests. We all understand the great concern of the families about the fact that the inquest jury's verdict on each of the deceased was accidental death. In common parlance, accidental death implies that no one was to blame. All those, including many coroners, who know anything about the conduct of inquests have reservations about the way in which they are conducted. The term "accidental death" is a legal one, and it was made clear by the coroner and repeated by Lord Justice Stuart-Smith that an inquest jury's verdict of accidental death does not necessarily imply that no one was to blame. That is very important.

The second point that needs to be made—it is made on page 11, paragraph 63 of the report—is that, before the scrutiny under Lord Justice Stuart-Smith, counsel for the family support group accepted that it was impossible to have a fresh inquest with a view to substituting a verdict of unlawful killing, so that point has been accepted by the family support group itself.

I accept, as I believe the whole House does, that inquests of the sort that occurred in respect of the Hillsborough disaster turn the screw on bereaved families, without adding any understanding on questions of culpability. Lord Justice Stuart-Smith's report underlined the need to make improvements to the inquest system. In the case of Hillsborough, it was clearly unsatisfactory that the families suffered additional distress as a result of the inquest proceedings and the jury's verdicts of accidental death, when the cause of the disaster had already been established by the Taylor inquiry and the Director of Public Prosecutions had announced that there would be no prosecutions.

The inquest system, in its present form, is unsuitable for dealing with disasters such as Hillsborough. The Home Office working group on disasters and inquests, which reported in March 1997, recommended that the role of the inquest should be severely limited when a public inquiry has already been held.

A comprehensive public inquiry that also addressed the questions that would otherwise be before an inquest would relieve the coroner of the need to resume the formal inquest. The changes recommended by the Home Office working party in that respect point the right way forward, so the Government will look for a suitable legislative opportunity to amend the Coroners Act 1988.

I have often been asked: if the police were to blame, why has no police officer been brought to book? The only answer is far from satisfactory: police disciplinary procedures have been so defective that individual senior police officers have been able to utter "disgraceful lies", act with contemptible incompetence and incur no penalty. That is plainly unacceptable to the whole House and to the whole country.

As I said in my statement to the House on 18 February, I fully understand the public disquiet—I share it; I do not just understand it—that those who have been criticised by the inquiries into this disaster have not been prosecuted or disciplined in respect of their actions. It is not possible, however, to turn the clock back, and Lord Justice Stuart-Smith is satisfied that no new evidence that he considered could be put before the Director of Public Prosecutions or before the Police Complaints Authority. I accept that, but everyone, I think, believes that, in the light of Hillsborough and other cases, there is a compelling case for reform of the police disciplinary system.

In January, the Select Committee on Home Affairs published its report into police disciplinary and complaints procedures. The report recommended changes in a number of key areas and, in March, I announced to the House that I was taking steps to implement almost all its recommendations.

I have decided that the standard of proof in police discipline cases should be changed from the criminal to the civil standard and that it should be possible for officers to face both criminal and disciplinary action on the same facts. I have also accepted the Select Committee's recommendation that we should implement a system of "fast-track" dismissal for use in the most serious cases.

In the light of the Hillsborough disaster, I have been particularly concerned to address the serious defect in the present practice, which allows a police officer to retire on medical grounds before disciplinary hearings can be completed. [HON. MEMBERS: "Hear, hear."] As my right hon. and hon. Friends make clear by their approbation, that was rightly an issue of the greatest frustration to the families of the Hillsborough victims.

We are strengthening the procedures so that, when accused officers claim that they are unable, through ill health, to appear at disciplinary hearings, matters can and will be decided in their absence, with appropriate safeguards. I am also concerned that existing regulations should be rigorously applied, so that any outstanding disciplinary matters have to be completed before any application for early retirement can be considered. Those and other changes will come into force in April next year.

Ninety-six people lost their lives as a result of the disaster at Hillsborough on 15 April 1989. The lives of many others were and continue to be profoundly affected by that day's events. None of us can begin to understand the anguish that is felt by the families who lost their loved ones in such tragic circumstances, but we have shared their determination to establish, to the fullest extent possible, why and how their relatives died.

The causes of the disaster were clearly identified by Lord Taylor in his 1989 report. It was right to consider, as I have done, whether there was any subsequent information that cast doubt on earlier decisions. It was for that reason that, at the instigation of many of my right hon. and hon. Friends who represent Merseyside constituents and other constituents of the bereaved families, I established Lord Justice Stuart-Smith's thorough scrutiny, but I am satisfied that he has, after that rigorous examination, reached the correct conclusions.

The changes in the safety of football grounds following Lord Taylor's report should ensure that the risk of anything similar ever happening has been greatly reduced. Changes in inquest and inquiry procedures following such disasters should ensure that the families are not put through the extra ordeal that the Hillsborough families have suffered, and the changes in police discipline procedures that I have announced will ensure that police officers cannot escape responsibility by early retirement.

I am asked by the families and their supporters to establish another full public inquiry, but I ask: what could that achieve? I do not believe that a further inquiry could or would uncover significant new evidence or provide any relief for the distress of those who have been bereaved. Although I know that it is difficult for the families to accept that, such a conclusion must be in their best interests. To hold out the possibility of a further inquiry, only and inevitably to have that hope dashed when the inquiry reported, would lead simply to further anxiety and to a deepening of the wounds of grief. That would be no kindness to the families, or to their communities on Merseyside and elsewhere. Although the families may not today accept the conclusions that I have reached, I hope that, in time, they will see that no purpose could be served by the further inquiry that they seek and that we as a Government have done everything that is possible on their behalf.

10.7 am

Sir Brian Mawhinney (North-West Cambridgeshire): I start by expressing a word of appreciation to the Government for holding this debate. On 18 February, the Home Secretary was asked by me and others to talk to the Leader of the House with a view to having this debate and, as both are in their place, I say to them collectively that they came to the right judgment in the matter and I thank them.

The Home Secretary has dealt fully and comprehensively with all the facts surrounding Lord Justice Stuart-Smith's review, so it would trespass on the House's time, when other hon. Members wish to catch your eye, Mr. Deputy Speaker, if I repeated what the Home Secretary has said. I concur with his analysis. I hope that I shall not be accused of treating the subject lightly if I do not simply repeat what he has said.

It is worth bearing it in mind that the conclusions have been reached after examination of literally hundreds of witness statements on a great tragedy. It would be immensely surprising if all those hundreds of statements—in the heat of the moment, in the chaos that was that Hillsborough scene, and in the tragedy as it unfolded—were to agree on every detail. Two people in a quiet framework frequently disagree on what they see. The idea that hundreds of people would see exactly the same thing in every detail is not credible.

It is, however, greatly to the credit of the system that the truth emerged, and did so in a way that was broadly acceptable and seen to be an accurate reflection of what happened. The Home Secretary was right to point out, however distasteful it may be, that the failure of police control was at the very heart of the tragedy. He was also right to deal specifically with the serious allegations that have been made by the family support group, and I shall return to those later.

It is characteristic of a tragedy that what happened remains in dispute for many years, and why it happened even more so. In one sense, what happened in this great tragedy and why is interlinked in the minds of many people. That is understandable. We in this House have to remind ourselves that this is not some esoteric, theoretical debate; it is about what happened in the lives of thousands of people—lives that have been blighted from now to eternity because of events that took place in such a short time.

We all know, although we do not often talk about it, that death is not only commonplace, but frequently the most emotional subject with which we as Members of Parliament have to deal. I need only cite the case of Myra Hindley to illustrate that point, or, indeed, the continuing interest in what happened on the Titanic. Sadly, what happened at Hillsborough and the deaths that occurred fall broadly into the same category.

People want to come to terms with their grief, and to come to terms with their grief, they want explanations. They want to know who was responsible. They want, rightfully, some element of blame and punishment to be allocated because they feel that they have been unfairly punished. It is to Lord Justice Stuart-Smith's credit that he recognised that that element of blame and punishment was legitimate. Chapter 7 of his report states:

"I . . . understand the dismay that they"—

the Hillsborough families—

"have that no individual has been personally held to account, either in a criminal court, disciplinary proceedings, or even to the extent of losing his or her job."

So it is right to go the extra mile to try to meet those concerns. That is why, on behalf of the Opposition, I supported the Home Secretary when he announced the initiation of this review. I said:

"We owe it to the families and friends of those who died, to members of the police force and the other emergency services and to all who believe in justice to ensure—in the Home Secretary's words—

'that no matter of significance is overlooked and that we do not reach a final conclusion without a full and independent examination of the evidence.'

I agree with the right hon. Gentleman on that. I welcome his announcement and will support Lord Justice Stuart-Smith in pursuing that important examination".—[*Official Report*, 30 June 1997; Vol. 297, c. 26.]

On 18 February, when the Home Secretary reported the Government's reaction to Lord Justice Stuart-Smith's review, he recognised that by taking his decision, which we supported, he ran the risk of raising expectations. He gave an added boost to the hopes of the families involved. That was inevitable and could not be separated from his decision to hold the review. It is, perhaps, understandable that the judgments that have been reached and accepted should lead the families to believe that, in some sense, they have been let down a second time. This is not a time

[Sir Brian Mawhinney]

to be evasive. While I have sympathy for the families, I do not think that their feeling of having been let down a second time is justified in the circumstances.

The report is thorough. All the so-called new evidence has been thoroughly examined, and it was very important that it should be. It was important that Lord Justice Stuart-Smith, not caught up in the initial review, should calmly examine again the evidence and, indeed, the television documentary evidence. Like many other hon. Members, I saw that programme. Anyone who saw it could not have failed to be emotionally gripped by the story it told. The difficulty that all of us who simply watched the programme had was that we had no means of knowing whether it was an accurate presentation of what actually happened. It was gripping drama and very emotional, but whether it was accurate had to be determined in a forum other than a television studio. That is what Lord Justice Stuart-Smith did.

I am pleased that the Home Secretary paid attention to the 3.15 pm cut-off point because, as he said, it has led to great misunderstanding and unhappiness. I have memories of at least one mother pointing out that her son was still alive at 3.15 pm and that there was, therefore, something deeply flawed with the process. She knew that he was alive at 3.15 pm, but the coroner said that he was interested only in people who died before then. Of course, that was not the case, and the Home Secretary made that clear. I hope that what he has said in emphasising what Lord Justice Stuart-Smith said—and, indeed, to the extent that it makes a difference, what I am saying—will encourage people to reconsider that issue. The great danger is that a mythology develops, and once a mythology is established in such emotionally fertile ground, it will never be plucked out.

Lord Justice Stuart-Smith was also right to defend the legitimate decisions taken by the coroner. On the subject of the inquest, I agree with the Home Secretary that it is not attractive in such circumstances to have an inquiry and a full inquest, not least because their terms of reference are different. While we aficionados and other professionals may understand the difference, the general public by and large do not, and it sows confusion and misunderstanding.

I am not calling into question the importance of inquests, but it is important to effect change that focuses attention on a tragedy of this magnitude in one forum and perhaps allows the inquest then to deal almost in a more routine, formal, non-investigative way with the events to which it must address its attention. I welcome what the Home Secretary said about changing the Coroners Act 1988, but I noticed that he added, perfectly understandably in view of the fact that the Leader of the House is sitting beside him, the rider that legislation would be brought forward as soon as an available opportunity presented itself.

Without wishing in any way to antagonise the Leader of the House, I have to say that I have in my time sat on Government Business Committees. I know the pressure for legislation, and I can see the pressure for legislation this Session. I do not think that it is likely to lessen, given the Government's legislative zeal. I therefore offer the Home Secretary encouragement in his attempt to amend the Act, but he will have to fight his corner. Business managers will think that it is a worthy objective, but also that there are more pressing things to do if Labour is to get its second full term in office—which, as far as I can determine, is its avowed and only reason for governing. He will have to press very strongly on the matter, but can count on our support—*[Interruption.]* I tell the Leader of the House that we have not done too badly. We have been thorough, but have not unduly prolonged matters.

As Lord Justice Stuart-Smith said, the chief constable of South Yorkshire police has on many occasions apologised on behalf of his force for the disaster. Although I do not intend in this debate to reopen the issue of policing and responsibility for the tragedy, acknowledging the inadequacies and failures of the police on the day provides a background to the report.

As there is that background, and there was a failure of police control, people have become more willing to blame the police for other matters, although less blame or no blame should attach. It is important that we should get the perspective right—as we must all, on a daily basis, have confidence in the police. When they do things wrong, as they did at Hillsborough, they must say so, as the chief constable has done.

We must not—I accept that the Home Secretary did not do it in his speech—create a climate in which the police are blamed for everything, thereby reducing public confidence. Equally importantly, blaming the police for everything attaches an unfair and unjustified stigma to the name of dedicated and professional police officers. I therefore welcome those parts of the report dealing with the handling of officers' written accounts of events.

The report, on page 106—dealing with the handling of officers' accounts—states:

> "Lord Taylor's inquiry was not in any way inhibited or impeded by what happened. Lord Taylor was well aware of the criticisms made by some junior officers. His Inquiry examined these issues and he made findings about them that were adverse to the police."

Lord Justice Stuart-Smith went on to say:

> "The investigation of the disaster by the West Midlands Police was not biased in favour of the South Yorkshire force."

When an officer retires, there is concern that any disciplinary matter under investigation will lapse. Some think that the issue can be addressed by changing the disciplinary code, whereas others—such as the Home Secretary—believe that chief officers already have sufficient power under current regulations to deal with those matters. We must have clarity, guidance and openness, so that public confidence is increased, and so that the overwhelming majority of good officers are given support.

On 30 June, the Home Secretary told the House that he was investigating those matters. Today, he mentioned again the "sustained criticism" of the police disciplinary code, and made three announcements. The first was that he has decided that the civil rather than the criminal standard of proof should apply in such cases. The second was that it should be possible for officers to face both criminal and disciplinary action on the same facts.

The Home Secretary's third and most significant announcement was that police officers should not be allowed to retire on medical grounds before disciplinary hearings were completed. I am sure that hon. Members on both sides the House will agree with him on that point. A doctor's note should not be an escape route for bad behaviour. [HON. MEMBERS: "Hear, hear."] There is agreement on both sides of the House on that.

Nevertheless, we must be very careful to protect police officers' legitimate rights, and not to assume that a police officer who is facing a disciplinary charge and has a genuine medical complaint is using that complaint to evade responsibility.

We welcome those parts of the Home Secretary's speech dealing with charges. He said that the changes would come into force in April 1999. I ask the Minister, in his reply, to give the House a little more detail of the Home Secretary's thinking on charges. The sooner that the details are available, the less likely it is that there will be a high level of perhaps unhelpful speculation, not least in police forces across the country.

I should like to digress momentarily from Lord Justice Stuart-Smith's report—although I shall later link my digression to it. When my children were younger, I took them to watch football matches—as I am sure other hon. Members have taken their children. Whether I was right or wrong to take them is a matter that only I can decide. Nevertheless, I took the view that, too often, the threat level on the terraces was more than I felt comfortable with when accompanying two young boys. I therefore insisted that, when we did go, we had seats. Consequently, we watched less football than we might have. I exercised my parental choice—which was one that not everyone would make—in response to the level of uncertainty and menace that was too often associated with our football grounds.

It is therefore right, even in today's debate, again to pay tribute to the late Lord Taylor for the changes that his report effected in the world of football. In our football grounds, seating is now commonplace, even if it is not always used. Segregation of fans and control of drink are now commonplace. Everyone agrees that the policing and stewarding of games is better, and greater intelligence means that troublemakers can be identified and dealt with. Closed circuit television has revolutionised the control of games. It is right that I should give a special word of thanks to the Football Trust for the contributions that it—with the previous Government—has made to making changes.

The worry now is that those improved standards may be starting to slip a little. Concern about what might happen at the World cup is shared by hon. Members on both sides of the House. Part of the legacy that we owe to those who died at Hillsborough is to ensure that the highest possible standards are maintained and take precedence in our football grounds. My digression is, therefore, not unconnected to today's debate, as rigorous enforcement and pursuit of new and better standards are enduring remembrances of those who died at Hillsborough.

In his report, Lord Justice Stuart-Smith says of the families of those who died:

"I realise that my report and advice will come as a disappointment to them, especially since they have had their hopes raised that something more could be done. But I cannot allow compassion to cloud my judgment. I have had to look dispassionately and objectively at what is said to be fresh evidence, in the light of the evidence which had previously been considered".

The Home Secretary saw the families before he made his announcement to the House in February on the Government's response to the review. He told the House:

"They are upset, disappointed and angry about its conclusions. They are also angry that I have accepted those conclusions."—[*Official Report*, 18 February 1998; Vol. 306, c. 1090.]

Of course they still are.

The Home Secretary will know that the families issued a press statement this morning which included 20 questions. If what they say at the beginning of their statement is true, it was an uncharacteristic lapse on the part of the Home Secretary. They claim that they were not formally notified that the debate was to be held or that family group members would be able to listen to it, and they reject the report as

"inaccurate, factually incorrect and extremely biased."

We have dealt with that. We understand where they are coming from and why they feel that way, but the Government do not share their view.

The press release makes one point that I hope the Minister will address in his reply. If it were true, it would be a cause of some concern. The families say:

"We have been accused of crying foul and whinging at the result of the scrutiny. We respond by reference to my letter"—

that is Mr. Trevor Hicks's letter—

"to Jack Straw in November 1997 expressing concern at the Judge's interpretation of the terms of reference and the way the scrutiny goal posts were being moved."

It is important that the Minister addresses that particular point. I assume that he will want to assure the House that the interpretation of the terms of reference was not changed and that the goalposts were not moved, but the allegation having been made, it needs to be addressed.

The families asked 20 questions, which I shall not address although others may wish to do so. However, for the sake of reassurance, the Minister should respond to two in particular. They are questions 9 and 11. Question 9 is framed as follows:

"The Home Secretary undertook to place in the House of Commons library all supporting documentation"—

I believe that this morning he said that he had done so—

"Why are the key police statements not in the House of Commons library and why were they not in the document bundles recently supplied to the family group, despite them being on the index?"

Clearly, I cannot answer that question as it relates directly to the behaviour of the Home Secretary. Perhaps the Minister will address it in his reply.

Question 11 states:

"South Yorkshire Police have admitted that they had been given a copy of the scrutiny report some days in advance of its presentation to the House of Commons. Surely this is a breach of parliamentary privilege and is indicative of police bias at the Home Office."

There might be a number of reasons for that, including the one reflected in the question. I shall not seek to make political capital out of it or to second-guess the Minister, but it is a serious allegation that needs to be addressed.

When I thought about the debate, a line of poetry came to mind. It was written by W. B. Yeats, who had a special knack of reflecting on people's emotional lives. He wrote:

"Tread softly because you tread on my dreams."

We are in danger of a permanent and solidified chasm being established. Conclusions arising from an examination of the facts have been drawn with integrity and impartiality against the families' perception of injustice, leading to irreconcilable difference, grievance, despair and nightmare.

The families say in their press release:

"Words are easy and debate is worthwhile",

but they ask the purpose of today's debate. It is not my job to answer that question save to say that this debate provides an opportunity for their elected representatives

[Sir Brian Mawhinney]

to examine what has been done on their behalf and to explain to some degree that the dealings of men are sometimes messy. However, I hope that we shall all remember that we should tread softly because dreams were shattered that sunny day in Sheffield.

10.35 am

Maria Eagle (Liverpool, Garston): I am grateful to my right hon. Friend the Leader of the House, who has made time for today's debate. She was inundated with requests and responded to them in difficult circumstances. I also thank my right hon. Friend the Home Secretary for his role in placing in the House of Commons Library some 12 boxes of hitherto unseen material consisting of statements and other documents from the South Yorkshire police archive. I have had the opportunity to look through most of that material and I shall comment on it later in my speech.

Let me say first that I am here as a representative of the city of Liverpool, as a football supporter and a Liverpool supporter. No one who combines those three qualities could be anywhere other than here today representing the interests and feelings of their constituents.

I represent bereaved families—Mr. and Mrs. Jones, Mr. and Mrs. Pemberton and Mrs. Hicks. Mr. and Mrs. Jones lost their son and his fiancée, Mr. and Mrs. Pemberton lost their son and Mrs. Hicks lost her two daughters. I hope that they will forgive me if I do not spend what little time I have trying to convey to the House the way in which that loss affected their lives and their families.

As I said, I have looked through most of the 12 boxes of police statements and materials placed in the Library, gaining some insight arising from my practical experience as a solicitor. Let me set out my initial conclusions.

First, South Yorkshire police behaved abominably leading up to the Taylor inquiry. They orchestrated what can only be described as a black propaganda campaign which aimed to deflect the blame for what had happened on to any one other than themselves. They were not preparing a case for the inquiry; they were preparing a defence, and there is a subtle psychological difference between the two. The fans—who include the victims and the club—were the main target. If one re-reads Lord Taylor's interim report, it is clear that he implicitly agrees with that assessment.

Secondly, I discovered that there was a liaison unit, which appears to have consisted of the chief constable, the deputy chief constable, Chief Superintendent Wain, Chief Superintendent Mountain, Superintendent Bettison and Detective Chief Inspector Brooke. The role of the liaison unit appears to have been to orchestrate that campaign.

Thirdly, there was a systematic attempt to change police statements to emphasise the slant on the defence that the police wanted to develop. It failed because of the sheer volume of self-serving statements and the shortage of time in which they had to get them to the Taylor inquiry. The attempt became impractical and thus most of the alterations to the statements were not significant, although Lord Justice Stuart-Smith accepts that some were not insignificant. More tellingly, one can see the intention of the police from solicitors' annotations on the unamended statements. That attempt to put a slant on evidence failed also because Lord Taylor saw through it. His report condemned in the strongest possible terms the strategy and tactics of the senior management and legal team of the South Yorkshire police. When reading the report, one cannot but be impressed by the strength of his condemnation.

Fourthly, that campaign continued after the Taylor inquiry reported, when it should have stopped. The life of the liaison committee also extended beyond the end of the inquiry to the generic inquest, and who knows whether it extended further? It would be interesting to have an answer. The committee's purpose changed from supplying black propaganda to achieving historical revisionism, but its aim has always been the same—to deflect blame. It is time that that stopped.

I have dug out many references from the boxes of documents, and I do not have time to set out a full case to support what I am saying, but I shall make some points. Lord Justice Stuart-Smith referred to the self-serving, self-written statements in paragraph 79 on page 78 of his report, where he said that it appeared that Chief Superintendent Wain was asking the serving police officers for factual statements. However, the boxes of documents contain a letter with comments at the end that have been added using a different typewriter. I wonder whether Lord Justice Stuart-Smith saw them. One addition asks:

"What was the mood of the fans?"

Does that request a factual statement? Another comment says:

"Officers should include in their statements their fears, feelings and observations".

and, referring to the actions of the stewards, the letter asks:

"were they doing their jobs?"

That does not ask for a factual statement; it asks for an individual officer's opinion about what happened.

Lord Justice Stuart-Smith says that officers were seeking to take only factual statements and, according to the first five points in the body of the letter, that is exactly what they were doing—but was something else going on?

I have already said that it is not the alterations to the statements that are important, but the annotations on the unamended statements. If one goes through the boxes of evidence and reads the solicitors' annotations in the margins of the unamended statements, one can see developing a shorthand that flags up certain points in the statements. Some of the annotations are sensible. They say "Outs LL", which means outside Leppings lane, and "Ins LL", which means inside Leppings lane, and "Gym". They flag up what happened at certain locations, which is no more than good organisation when annotating a statement. There are others, such as "Fan Beh", which is a shorthand for fan behaviour, and "Fan no tick", which is short for fans without tickets. If one reads all the unamended statements, one can see that those points are being flagged up.

One must then consider how the police presented their case at the Taylor inquiry. Their case was that fans turned up with no tickets; fans behaved badly; fans were drunk; fans tried to storm in; and they caused the crush. One can see on the unamended statements how the defence team of solicitors and the liaison committee who were reading them flagged up those points for use at a later stage.

Lord Taylor spotted that. I do not expect that he saw the annotations on the statements, which were made on the understanding that they were legally privileged, although Lord Justice Stuart-Smith says that they were not. There was no reason for the people who annotated those statements to think that they would ever be seen outside the force. Lord Taylor, whether or not he saw the annotations, saw through what was happening. He severely criticised the conduct of the police at the inquiry.

The Stuart-Smith report repeats paragraph 285 of the Taylor report, which states:

"It is a matter of regret that at the hearing, and in their submissions, the South Yorkshire Police were not prepared to concede they were in any respect at fault in what occurred. Mr. Duckenfield, under pressure of cross-examination, apologised for blaming the Liverpool fans for causing the deaths. But, that apart, the police case was to blame the fans for being late and drunk, and to blame the Club for failing to monitor the pens."

That is exactly what one can see in the annotations on the unamended statements. The report continued:

"It was argued that the fatal crush was not caused by the influx through gate C but was due to barrier 124A being defective. Such an unrealistic approach gives cause for anxiety as to whether lessons have been learnt. It would have been more seemly and encouraging for the future if responsibility had been faced."

At the end of the inquiry, Lord Taylor delivered a devastating indictment of the behaviour of the police and their conduct at the inquiry. At that point, the chief constable should have been held to account for the way in which he was leading that force and for the presentation of such a case to the inquiry. That he was not is a matter of regret. I know that it is not easy to sack chief constables, but he should have been sacked at that point for his poor leadership. It is now too late, of course—he has gone.

What happened after the inquiry is also interesting. What happened at the generic inquest? One would have thought that, by that stage, the police, having read and purportedly accepted the Taylor report, would have changed their tactics, but in the boxes of statements in the House of Commons Library, there are police reports containing day-by-day summaries of the inquest. They look like the self-serving statements, and I am not sure that they were supposed to be in those boxes, but they have now been placed in the Library.

The summaries were all prepared by one man who attended the inquest—Police Constable Kenneth Greenway—and it is clear that he reported back to the force on each witness. Referring to the Liverpool fans, he reported whether they had a ticket when they arrived, whether they had had a drink and whether they saw bad behaviour or other people drinking. Only after that did he report where those witnesses were and what happened to them. So that police mentality existed after Lord Taylor had rebuked it in the most stinging fashion.

There is a list of the distribution of those reports. They were sent to the chief constable, the deputy chief constable, Chief Superintendent Wain, Chief Superintendent Mountain, Superintendent Bettison, Detective Chief Inspector Brooke and the liaison committee. The committee still existed and was doing exactly the same job that it had tried to do during the Taylor inquiry, which was rebuked in Lord Taylor's interim report.

The liaison committee was still doing its job at the generic inquest. That is why the families say that the inquest overturned the Taylor verdict. Of course, in law it did not, but they felt that the arguments that had been so stingingly rejected by Lord Taylor were used again at the inquest and, because the police were so pleased with the verdict, the families believed that the police had had a victory. The police should not have advanced those arguments at the inquest, but they are still doing so.

Page 97 of Lord Justice Stuart-Smith's report refers to a structural engineer's report, which was prepared by the South Yorkshire police for the contribution proceedings. The structural engineer, Mr. Burne, was not called at the inquest and his evidence was not available to the Taylor inquiry, perhaps because it was not relevant. Nevertheless, he gave evidence at the contribution proceedings. The first point to note—which any lawyer will have spotted—is that Mr. Burne was instructed in July 1989 and his report was dated August 1990. That means that there were many draft reports that were not disclosed. I should like to see those draft reports. However, on page 99, Lord Justice Stuart-Smith says:

"These matters do not give grounds for re-opening the Judicial Inquiry or any other proceedings. Indeed it is not suggested by the police that they do."

The substance of Mr. Burne's evidence is that it was perhaps better to blame the club more because the barriers were worse than Lord Taylor had thought they were.

"Lord Taylor might, if he had known of them, have criticised Sheffield Wednesday Football Club, their consultant engineers, and those responsible for licensing the ground in more stringent terms than he did, but I do not consider that there would have been any question of his changing his central conclusion, borne out as it is by the overwhelming mass of the evidence, that the primary cause of the disaster was a failure of police control. However, if the responsibility of the other parties was somewhat greater than had earlier been appreciated, that might have a bearing on any reconsideration of criminal proceedings against police officers."

Obviously, someone at South Yorkshire police is conducting exactly the same sort of rearguard defensive campaign as they have conducted all along.

Interestingly, on page 96, paragraph 7, Lord Justice Stuart-Smith says:

"At a late stage of my scrutiny I was invited by South Yorkshire Police to consider the evidence of Mr. Noel Burne".

Is that liaison committee still operating?

I conclude by asking several questions which I should like my hon. Friend the Under-Secretary to consider when he replies to the debate, although I accept that he may be unable to answer them today. Why did the South Yorkshire police have Lord Justice Stuart-Smith's report before all the other effective parties did? In view of the history, it did not give the families confidence that the police were being treated no differently from all the other parties. On television, the current incumbents in senior management at South Yorkshire police were happy to boast how long they had had the report.

May we publish the—still secret—percentage split of liability agreed at the contribution proceedings? Although South Yorkshire police have said sorry, they have not said mea culpa. We want them to accept that they were to blame. They caused this. It would be helpful for us to know the split of liability agreed.

Finally, as all the people who originated the policy have gone, will the Under-Secretary look to the new incumbents at South Yorkshire police? Will he get them

[Maria Eagle]

to face up to their responsibility in its full force—to accept, not that they contributed and others were to blame as well, but that they were to blame? Will he persuade them to consider making serious efforts at reconciliation with the families? Until that happens, those families will be unable to proceed from the anger and anguish that they feel to grief, and they will be unable to continue their lives.

10.52 am

Mr. Bowen Wells (Hertford and Stortford): I do not wish to delay the House long, because I know that Labour Members want to make a major contribution on behalf of their constituents. I congratulate the Home Secretary and my right hon. Friend the Member for North-West Cambridgeshire (Sir B. Mawhinney) on the exemplary way in which they presented the case this morning. This is a serious and heart-rending situation, which is difficult to resolve. As my right hon. Friend the Member for North-West Cambridgeshire said, dreams have been trodden on. The lives of very young people have been destroyed as a result of that hideous event at Sheffield, Hillsborough so long ago.

Regrettably, we cannot undo what happened on that day; but we must help the families to come to terms with what has happened, to start to dissipate their anger and to turn it into a constructive objective for the future. It is the only way forward for them, for the House and for the country.

I start by observing, as my right hon. Friend the Member for North-West Cambridgeshire did, that the Hillsborough disaster did not have its origin on that day alone. There had been a long, disturbing history of extreme violence at football grounds. There had been examples of lack of crowd control at many football grounds throughout the country, which was extremely worrying for football clubs because it was reducing attendances at matches, with financial results.

For many years, many stadiums had badly lacked capital investment. Football clubs had used their money to invest in hideously high transfer fees for players, and had neglected to look after the fans who supported them—fans who needed proper seating and decent facilities, and whose safety needed to be safeguarded by properly constructed stands, entry gates and turnstiles to ensure that the huge numbers attending did not become a danger to themselves. Those safeguards had not been provided.

In the House at the time, we faced the fact that violent behaviour at football grounds had led the country as a whole to have a hideous reputation internationally for extreme bad behaviour at soccer matches. Barriers were among the measures used to prevent soccer pitches from being invaded by the crowd, and to prevent scenes of major violence and disorder from being repeatedly displayed to those present and on television. Those barriers, against which the people at Hillsborough were crushed, were the cause of death in that case, and the barriers were there as a result of previous behaviour at soccer matches throughout the country.

It is necessary to place the matter in that context. Although I agree whole-heartedly that the police failed to control the crowd properly and adequately—indeed, as emerged from the subsequent evidence, behaved abominably, as the Taylor report pointed out and as Lord Justice Stuart-Smith agreed—none the less, no policeman went to that football ground wishing to see that crowd get out of control.

We must maintain a balanced view. Although the police were wrong in several respects, they did not cause the deaths of those young people. We must put that in perspective. However, there is a very serious problem.

Mr. Eddie O'Hara (Knowsley, South): What evidence can the hon. Gentleman present to show that that crowd was out of control? Does he not accept that it is disgraceful to put the blame for what happened at Hillsborough on those people who were crushed? They were not out of control; they were hapless victims, and they were victims of the actions of the police, who guided into them people who should have been directed elsewhere in the ground.

Mr. Wells: I do not disagree with anything that the hon. Gentleman has said. I agree with him that the crowds were not responsible for the deaths of the young people at Hillsborough either, but I am saying that, equally, I do not think that we can heap on the heads of some senior police officers the entire blame for the incident.

Mr. O'Hara: The hon. Gentleman has not read the report.

Mr. Wells: I have read the report. I am merely saying, let us get this into perspective, as far as we can in these emotional and difficult circumstances. It was not the crowd's fault—I could not agree with the hon. Gentleman more—but we must place the matter in perspective if we are to resolve it.

The police, in connection with this incident, should be the subject of very serious investigation by the Home Secretary. A group spirit emerges within the police, which makes them try to defend one another at the expense of the public and of justice. The police are accountable only to themselves. The police boards that control them do not control them, and have no means of doing so. What we have seen in this whole sorry story is the South Yorkshire and West Midlands police defending themselves. That has to be addressed. I hope that, when he comes to announce the measures that he proposes to put before the House, the Home Secretary will find a means by which the police can be objectively assessed and not allowed to get away without the responsibilities that are properly theirs.

It is a sad and difficult matter, full of emotion, with which we are dealing this morning, as the intervention of the hon. Member for Knowsley, South (Mr. O'Hara) and the reaction of the House have demonstrated. The sympathies of all of us are with those who lost their loved ones at Hillsborough. I join them in feeling their grief and I feel for them for the future.

11 am

Mr. Derek Twigg (Halton): First, I shall put some facts to the House. I was at Hillsborough on that day. I am a lifelong Liverpool supporter and season ticket holder. I gave a statement to the West Midlands police. Those are my interests.

I shall start by describing my recollections as briefly as possible—we have limited time, and many people want to speak in the debate. I travelled out that day with three

friends I drove rather than going by train because my wife was heavily pregnant. So I was not drinking. Given the issues around drink on that day, it is perhaps worth mentioning that. I have a fairly clear recollection of what was going on during the day. I arrived fairly early. We had a look round the ground. I had a long time to take in what was happening.

My three friends were in the Leppings lane end, but fortunately not in pens 3 and 4. They were in the other pen. I was in the north stand. There is a picture much used by medical journals showing the crush just before 3 o'clock. I was a little closer to the pitch than that, but the picture shows clearly the crush that was taking place.

It is important to say that Liverpool football club is the most successful club in this country. I say that for this reason. The supporters have experienced many great moments—European cup finals, FA cup finals, championships and so on—and had been to the semi-final the year before the Hillsborough disaster, and Liverpool had won the double in 1986. So although it was an important occasion, there was nothing particularly special about the day that made Liverpool supporters react differently from their previous good behaviour, with the exception of what happened at Heysel. From some of the police reports and statements, one would not think that what I saw on the day was the same as what police officers saw.

Like my hon. Friend the Member for Liverpool, Garston (Maria Eagle), I have been through many of the statements and other documents. It was a fairly sunny day. There was a decent atmosphere. It was jovial. People were happy going to the ground. There was nothing especially out of order that I could notice.

When I got to the ground at about 25 minutes to 3, the build-up of the crowd outside Leppings lane was beginning. It was clear to me that there was no real police presence other than some at the turnstiles. There was no effort by the police to channel supporters, to have orderly queueing or whatever. I cannot say what happened afterwards, but at that stage the crowd was well behaved and there was no real problem.

There have been examples over many years of success at Liverpool of crowds of 55,000 or 60,000, with 10,000 or 20,000 people locked out and massive queues of people going into matches. Never has there been a problem, because the police have organised things well. There has been orderly queueing and they have managed the crowd. The experience of the crowd is on record. However, the police at Sheffield that day did not seem to be bothered about getting involved with the organisation of the crowd outside the match.

There has been talk about people without tickets, but a lot of people had tickets that were not taken off them as they came through the turnstile. They were not checked that day. One gentleman next to me had such an experience. The control was not to the standards that one would expect.

When I got into the ground, I noticed almost immediately that the two middle pens—pens 3 and 4—were pretty full, but the side pens were probably only a third full, if that. That did not improve much during the next 10, 15 or 20 minutes. The point that I am trying to make is that although I was not within 100 yd but a bit further away, I could see what was happening. What were the police officers in the control room and facing the crowd doing at that time? How did they fail to notice the build-up to dangerous levels of the crowds in pens 3 and 4? How did they fail to do anything about it? How come the information was not relayed to officers outside the ground? I find it incredible.

One thing that sticks in my mind—I am not sure what time it was, but I think that it was around the kick-off—is that people started trying to climb over the fence and people were pulled up from the back stand. I remember policemen pushing people back in off the pitch. The understanding then, according to some of the police records, was that people were trying to invade the pitch, but police officers must have seen that people were in abject suffering or even dead in front of their eyes and just a few yards away from Chief Superintendent Duckenfield. I cannot comprehend why this disaster happened, given that the evidence was there to enable the police to prevent it.

I know that the opening of the gate and the build-up of the crowd outside has been called a monumental blunder by Taylor, but how was it that the police inside the ground, knowing the situation in the pens, did not relay a message to the superintendent outside the ground? Why did no one take the trouble to go between the turnstiles and the entrance into pens 3 and 4 and direct the crowd elsewhere? I cannot comprehend how that was not done. The evidence was there. The situation was before their eyes.

There is no argument but that the disaster could have been prevented and that the people to blame are the police. They were supposed to be in control and to be monitoring the situation.

Issues have been raised about crowd violence and concerns that there was some trouble in the crowd. Superintendent Greenwood went on to the pitch. His statement shows that he knew immediately that the problem was not one of crowd violence. He knew that there was something else going on. His statement was something like, "At this stage of the game, it did not even enter my mind that that was the case. I knew that something else was wrong." He knew that, yet we had statements later from police officers, politicians and others about crowd violence.

The police were clearly to blame. There is no doubt about that in my mind. Duckenfield basically abrogated his duty. He lost control of the situation. He was not around the pitch itself. In my eyes, he is the person, as the officer in charge, who is primarily to blame.

I want to touch on the aftermath before I go on to some of the other points. What has upset relatives of those killed, the people of Liverpool and those who have an interest in what goes on in the football club is the disgraceful lies about the blame for the disaster, and about the behaviour of the Liverpool supporters towards people who lay dead and dying. South Yorkshire police officers briefed the press shortly after the disaster. There were deceitful lies from Duckenfield himself. There were headlines in *The Sun* that can never be forgiven. In many ways, those things set the tone. The comments that Duckenfield made were going halfway round the world within a matter of minutes. His comments were reported by John Motson or someone else in the press. The die was cast in terms of the blame, and the disinformation started.

If South Yorkshire police had said, "We got it wrong. We made the main mistake," no one would have been satisfied, but their behaviour has caused so much

[Mr. Derek Twigg]

additional upset and distress. The battle has been not only to find out the facts of why the deaths occurred, but to defend the reputation of those who died. Some of them were children. We must remember those who died and their families, as well as the supporters of the club and the city of Liverpool. I wonder whether, had another city been involved, the same rubbish would have been in the press at that time. All that meant that conflict developed, and my hon. Friend the Member for Garston referred to the disinformation.

I do not believe the sincerity of the apology from the police, as it had to be dragged out of them—even after Taylor. To this day, many people within the force do not accept any blame at all. Their version of events still exists. Also, there is no memorial at the Sheffield club for the Liverpool supporters who died there. I understand that supporters who went to a recent match at Sheffield were prevented from putting down flowers on the perimeter of the pitch. There is still a problem about recognising and accepting what went on, and we must understand why supporters and the people of Liverpool feel so strongly about what happened.

I wonder whether the right hon. Member for North-West Cambridgeshire (Sir B. Mawhinney), the shadow Home Secretary—or the hon. Member for Ryedale (Mr. Greenway), who is to wind up for the Opposition—would condemn the remarks of people such as Bernard Ingham, who blamed drunken Liverpool fans and still espouses that view. Given that Bernard Ingham was Margaret Thatcher's press secretary, I wonder whether Conservative Members would condemn unequivocally his comments.

I wish to refer to the Stuart-Smith report. The state of the ground was important, because the club overestimated the number of people who could go into the pens. The signing was awful, the stewarding was not good and the crush barrier was found to be full of rust and faulty. That all had an impact on what happened on the day, without taking the major blame away from the police. The police still have a case to answer.

My right hon. Friend the Home Secretary is aware of my concern at the decision not to prosecute, which I have raised with him personally in correspondence. I condemn the decision of the Director of Public Prosecutions not to prosecute Duckenfield, the chief constable and others. I understand that the view of the DPP is that there is insufficient evidence. We do not know why that is the case because the DPP cannot publish the reason; it was said that it was the opinion of two counsels. That does not help me to understand why the decision was taken. Following a disaster of that magnitude, the families deserve—at the very least—a chance to test the case in court.

I understand that the Home Secretary has a particular position to keep, but I think, to this day, that the case should be referred back to the DPP and that those officers should face criminal prosecution. I am glad that police disciplinary procedures are being changed so that people cannot go off because of ill health. If a police officer is unable to face an inquiry or disciplinary procedures because he is not in the best of health, how come the families—who have campaigned for eight or nine years and who have suffered the horror of what happened—can still go on? There is some injustice there.

My hon. Friend the Member for Garston referred to police statements, and I support what she said. I have dozens of statements here, and there is a clear intent to avoid blame. I also have a statement from Dr. Ed Walker, to whom I spoke briefly. His statement was signed by a police officer he never met. He raised the issue of the 3.15 cut-off and the treatment of victims on the day. On the 3.15 cut-off, there is still concern about what happened to the victims and those who were injured. I believe that another of my hon. Friends wishes to raise a particular case.

There are questions still to be asked about what happened, and I hope that my hon. Friend the Under-Secretary of State will deal with them later. Reference has been made to the accidental death verdict. In a sense, there has not been a cover-up, in that we know who was to blame and why it happened. However, there are still some pertinent and important questions which need to be asked, and we need to know why no prosecution took place. That is why there is a continuing feeling of injustice.

The disaster should never have happened and it could, and should, have been prevented easily. I can never forgive those responsible for what happened on that day.

11.14 am

Mr. Bob Russell (Colchester): This debate is an important part of the healing process, although recent speeches show that there is still a long way to go. I wish to join the all-party consensus shown by the two Front-Bench speakers on the matter.

The perceptions and interpretations of this great tragedy will always be the subject of critical observation, and there will never be a unanimous point of view. I commend the previous Government on the speed with which they set up the Taylor inquiry, and the Home Secretary on setting up the judicial scrutiny.

No matter how we look at the documents and the evidence, the fact is that 96 people died. Although there are different versions of what led up to the tragedy, we are left with a statement that is broadly agreed by both sides of the House—the main reason for the disaster was the failure of police control. I welcome the lasting improvements that the Taylor report brought to football—and many other professional sports—but I do not go along with the view that all-seater stadiums are necessarily the answer to problems of this nature. That was the conclusion of Lord Taylor's inquiry, but I wish to place it on record that I do not necessarily agree.

I do not wish to go over the points that have been made, but I wish to put on record my concern that there have been no criminal proceedings and my observations on police disciplinary procedures—or the lack of them, in this case. I welcome the changes mentioned by the Home Secretary, but I must ask why it is necessary to wait until April next year. I acknowledge the need to have the legitimate rights of police officers brought into any legislation or regulations, but April next year marks the 10th anniversary of the tragedy. Ten years on, we are still talking about taking action, which the public feel has been a long time coming.

The Granada Television programme "Hillsborough" could not be seen as an investigative programme, and it unnecessarily added to the anxiety of many people closely associated with the tragedy and of those who, for the first

time, saw a vivid production of something based on fact which, with the best will in the world, was not 100 per cent. factual.

I welcome the Home Secretary's decision to appoint Lord Justice Stuart-Smith to conduct a judicial scrutiny. As the right hon. Gentleman said:

"We owe it to everyone who has been touched by the tragedy, but, above all, to the families of those who died to get to the bottom of the matter once and for all."—[*Official Report*, 30 June 1997; Vol. 297, c. 26.]

One assumed that that would be the answer. The scrutiny report expressed sympathy for the families—it understood their dismay that no one had been held to account and their disappointment with the report itself. It said that there was no basis for a further judicial inquiry or for reopening Lord Taylor's inquiry. It also said that the coroner's inquest was not flawed, and that, nine years on, no further inquiry involving witnesses could help.

Nine years on, however, are we getting any nearer to drawing the matter to a close? After the Taylor report and the judicial scrutiny, the Home Secretary is in an almost impossible situation—he cannot go against their conclusions that there is no reason for a further inquiry. However, justice has not been done, as no one has had to accept responsibility and pay a penalty for his failures and errors.

I understand that some of the families are considering whether to bring a private criminal prosecution. If such a case were upheld, it would be a terrible indictment of the whole system of justice and inquiry. I welcome the Home Secretary's announcement this morning that the police papers have been made available to the Hillsborough families—I am grateful to the hon. Member for Liverpool, Garston (Maria Eagle) for drawing my attention to the fact that there are 12 boxes of police archive material. Will the Home Secretary confirm that all the police material and all other material are now available for full public scrutiny?

Although I know that the law does not permit a second inquest, I ask the Home Secretary to refer the inquest's decision to the High Court for judicial review, with a request that the original verdict of accidental death be replaced with an open verdict, on the ground that the inquiry had been insufficient. That would acknowledge, as Labour Members have said, that the deaths could have been avoided.

No matter how many inquiries, reviews or scrutinies are undertaken, no one will be brought back to life. I do not only sympathise with the families; I can empathise with people who have lost a young family member in tragic circumstances. I do not know how long the healing will take, but the process must be undertaken. Nine years is already a long time, but clearly there is still much healing to be done.

I conclude with some questions. When did the Home Secretary last meet with the families? What was the purpose and outcome of those meetings? Does he intend to meet them again, or is the Hillsborough book now closed for him?

11.22 am

Mr. Vernon Coaker (Gedling): I apologise to the House as, for reasons that most people know and of which I have informed Madam Speaker, I shall shortly have to leave. I make this short contribution as a Nottingham Member. I am sure that all the hon. Members who represent the area will support what I say—indeed, my hon. Friend the Member for Sherwood (Mr. Tipping) is also present for the debate.

I was not at Hillsborough on that awful day, but I clearly remember hearing the almost unbelievable news. I remember seeing the terrible pictures on television that left us numb and helpless. I talked to many of my friends who had travelled to Hillsborough as supporters of Nottingham Forest or simply as football lovers. I particularly remember that my good friend Malcolm Griffiths took his son Gareth, a keen Liverpool supporter, to watch the match—indeed, Gareth is now at Liverpool university and is a Liverpool season ticket holder. To this day, Malcolm Griffiths remembers those events—he talks to me as a friend, and has written to my hon. Friend the Member for Sherwood as his Member of Parliament, about the events of that day and the injustices that he feels as a citizen of Nottingham who has close affinities with Liverpool. People who survived have terrible memories, but at least they walked away, unlike the many others whose tragic loss is still felt so keenly.

I want to speak in this debate to say to the people of Merseyside that the people of Nottingham have not forgotten that day, and once again to express the sympathy and grief that we, too, feel—we share their sorrow. I remember being proud of the response of Nottingham Forest football club, the city and county councils and many other organisations. Above all, I was proud of the countless individual gifts and expressions of sympathy from the people of Nottingham and Nottinghamshire to the people of Merseyside. The counselling service that Nottinghamshire county council set up after the Kegworth air disaster, which took place shortly before Hillsborough, proved invaluable.

People sometimes say that words are not enough, but as some of my hon. Friends have said, they are sometimes all that one has. The expressions of support and sympathy that were given so sincerely at the time are reiterated now.

Like many in Nottinghamshire, I share the frustration and anger of the people of Merseyside and their representatives about the failings of the police on that day and the inadequacies of the judicial system in ensuring that justice was done and seen to be done. I am sure that my hon. Friends who represent the Merseyside area will be able to articulate those feelings far better than I can.

I hope that the Government will ensure that all the lessons of Hillsborough are not only fully learnt, but implemented, so that the necessary changes are made. I ask the Minister to deal with all the concerns that hon. Members raise today.

I conclude by once again offering, on behalf of the people of Nottingham and the other Nottingham Members, the deepest sympathy to those who lost loved ones, to the people of Merseyside and to all those who were affected. I know that the people of Nottingham have not forgotten, and will not forget, the terrible events of that day.

11.27 am

Mrs. Ann Winterton (Congleton): I commend the Home Secretary and my right hon. Friend the Member for North-West Cambridgeshire (Sir B. Mawhinney) on the way in which they opened this very important debate, in which it is difficult to participate. As many will know,

[Mrs. Ann Winterton]

I come from the north-west—I represent a constituency in the north-west. I do not support Liverpool; I support Manchester United—

Mr. John Greenway (Ryedale): What a shame.

Mrs. Winterton: It is a shame. Manchester United, too, has had its share of tragedies, and I think that the hearts of everyone in the north-west of England went out to those Liverpool supporters who were so cruelly killed at Hillsborough and to their families, whose memories will remain with them for the rest of their days.

It is perhaps with the benefit of hindsight—which is always a great thing—that we can see that an incident such as Hillsborough was waiting to happen at a football ground or other stadium. What happened at Hillsborough came about, I believe, because of a combination of circumstances, not only because of the failure of police control, although I agree with the many hon. Members who have spoken about the police's failure of leadership and control on that fateful day, 15 April 1989, when 95 people tragically lost their lives.

As a result of the inquiry set up by the previous Government and chaired by Lord Justice Taylor—and the implementation of its recommendations—football was kicked into the 20th century by the sheer horror at the magnitude of the tragedy at the Sheffield Wednesday football ground.

I hasten to add that blame should not be laid at the door of the football clubs alone. After all, as early as 1989, some clubs had been sufficiently forward looking to introduce all-seater stadiums, but they then had to reverse that policy to a certain extent for a variety of reasons.

As my hon. Friend the Member for Hertford and Stortford (Mr. Wells) said, many clubs needed a considerable injection of investment to introduce more adequate safety measures and to provide more comfortable facilities that were more in keeping with modern times. The fans and regular supporters were not treated as they should have been by the club management.

As a result of the tragic incident—the worst in the history of British sport in terms of the number of deaths—several investigations and other procedures were instituted, and those have been outlined in earlier speeches. A public inquiry, conducted by Lord Justice Taylor, was set up only two days after the accident, and an interim report was published on 1 August 1989. The final report appeared in January the following year, with a list of recommendations on the design and construction of stadiums and with chapters covering all the matters to be considered following the disaster.

That report also contained criticisms of the South Yorkshire police and the way in which they carried out their duties that day. The relatives of those who died have found it bemusing, to say the least, that there were no prosecutions. They have felt aggrieved at the verdict of the coroner's court of accidental death rather than unlawful killing.

The family support group's counsel has accepted that it is now impossible to have a fresh inquest, and I trust that the families will be comforted by the coroner's statement that a verdict of accidental death did not mean that the deaths occurred without fault. There was obviously fault, and it was highlighted in the Taylor report for all to read. I am sure, however, that the families and the House will welcome the Home Secretary's announcement of future changes to the coroner's inquest procedure when a full-scale inquiry is under way at the same time.

Bearing in mind the deep unhappiness of the afflicted families and the suggestion that fresh evidence not available at the time of the Taylor inquiry was forthcoming, Lord Justice Stuart-Smith was charged with conducting a scrutiny to ascertain whether such evidence existed and whether it had a bearing on the various legal procedures and decisions that had already been taken. His report, published this February, is comprehensive, clear and concise, and I congratulate the Home Secretary on commissioning it.

The true nature of the tragedy is brought home to everyone on reading the list of the names of those who made oral or written submissions, who attended the open session, or who met Lord Justice Stuart-Smith privately. It brings it home to everyone that individuals and families are involved and that it is not simply some amorphous incident that happened somewhere else, some time ago.

Perhaps now is an appropriate moment to consider the victims of the disaster and not to forget the names of two young men who did not die in the stadium but who were left with severe brain damage: Andrew Devine of Liverpool and Tony Bland of Sheffield. Both were diagnosed as being in a persistent vegetative state: a problematic label that has done nothing to encourage respect and care for those affected.

Tragically, Tony Bland's injuries created a situation that the right hon. Member for Birkenhead (Mr. Field) described as

"the worst of all possible outcomes"—[*Official Report*, 19 April 1995; Vol. 258, c. 155.]

for Tony Bland and for the state of the law, which should protect the most vulnerable members of society.

Tony Bland suffered twice from pneumonia, as well as a urinary fistula, and afterwards contracted septicaemia. Paradoxically, his doctors applied what might be considered aggressive treatment, only to apply to the courts later for permission to end his life by withdrawal of food and fluids: a scenario that the Law Commission has proposed to enshrine in statute.

I make absolutely no criticism of Tony Bland's parents, who agreed with that course of action, but I commend to the House the care that Andrew Devine's parents have taken of their disabled son.

Mr. O'Hara: I have the deepest respect for the hon. Lady's views on life issues, although I do not share all of them, but does she accept that she is pursuing a minor premise in the context of this debate? She should concentrate on the death of the 96, not on the tragic situation of Tony Bland and the decision to switch off his life support machine. I think that she is taking unfair advantage of an opportunity offered by this debate.

Mrs. Winterton: I must surely be allowed to make my own speech. I am in order and I have expressed concern and sympathy for the fate of the 95, but I think that it is quite appropriate that the 96th, and the circumstances in which he died, should also be mentioned. I am sure that the hon. Gentleman will join me in expressing regret

about what happened to Tony Bland, as well as to all the other victims. I seek not to make any further point about that, but it is legitimate to talk about Tony Bland now, as he died as a result of the horrific accident at Hillsborough. I hope that the hon. Gentleman will accept that view in the spirit in which it is intended.

I know that many hon. Members from the constituencies where the victims' families live want to speak, so I shall detain the House for only a short while longer, to say that the legacy of Hillsborough lives on with the families of the survivors and of those who died. As a result of improvements introduced following the tragedy, thousands of families attend football grounds to support their local team, and do so in greater safety because of the sacrifice of those who lost their lives at Hillsborough.

I have attended many football matches; I remember an incident at Manchester, when I was waiting to see Ian Rush get on the team coach, and was caught up in a great crowd. It was perfectly friendly, but I remember the dreadful feeling of loss of control as I was swept along, and I hate to think of what agonies the people who were caught up in the disaster at Hillsborough went through and what agonies their families have subsequently gone through when thinking of that day.

11.37 am

Mr. Colin Pickthall (West Lancashire): I add my thanks to my right hon. Friend the Leader of the House for arranging this debate, following representations from the north-west group of Labour Members, and giving us all the time to make a contribution.

History has played a dirty trick on the Hillsborough victims and their families. The personal tragedies experienced by so many people on and following 15 April 1989 have become intensified with the passage of time, as more and more details of the shambles, neglect of duty and disorganisation that brought about the disaster, and made its immediate aftermath worse, became clear.

Those details became clear partly because of the Taylor report and partly because of the work done by the victims' families. The boundaries of what it was possible to do to bring those at fault to account became more and more confined with the passage of time, while the concerns and detailed knowledge of those seeking answers and redress became wider and deeper.

Every hon. Member present fully appreciates the grinding frustration and anger that that bitterly ironic process has produced in so many of the family members concerned. It is not surprising to us that that anger has, in some cases, turned against us, as Members of Parliament who have been unable to deliver all the solutions Hillsborough families have sought. My hon. Friend the Under-Secretary of State has been the target of some especially unpleasant and undeserved attacks in some of the local media, which he has sustained with great character.

We have been well briefed by those families in our constituencies and also by my former colleague Professor Phil Scraton, in the book that he produced with Ann Jemphrey and Sheila Coleman called, "No Last Rites", and in the briefing he sent us on the Hillsborough scrutiny. At this point, I must join my right hon. Friend the Home Secretary in putting on record the fact that my right hon. Friend the Minister for Welfare Reform, the Under-Secretary of State for the Environment, Transport and the Regions, my hon. Friend the Member for Wallasey (Angela Eagle), my hon. Friend the Parliamentary Secretary, Office of Public Service and my hon. Friend the Member for Liverpool, Wavertree (Jane Kennedy) are unable to take part in this debate because of their ministerial roles. On behalf of the north-west group of Labour Members, I must say that they have always been heavily involved in all our discussions about the Hillsborough affair and the Stuart-Smith report and, obviously, in discussions with their constituents.

As members of the north-west group of Labour Members, we have all sought to work together to represent the views of our constituents in the aftermath of the Stuart-Smith report. That has been difficult because constituents have different emphases and their demands about what should be done differ, depending partly on the circumstances of their relatives' deaths. We are agreed, I believe, on those areas of general public interest that arise from the events at and following Hillsborough. In opening the debate, my right hon. Friend the Home Secretary dealt with all of them.

Several hon. Members have already discussed the configuration and management of stadiums. The outrageous means by which police officers who were responsible escaped the consequences of their failures and inadequacies have already produced action from my right hon. Friend the Home Secretary. The total failure of the coroner's court to deal at all adequately with the concerns of the families of victims or to consider the evidence that they wanted to present, coupled with the inadequate range of findings available to such courts, have also been raised by my right hon. Friend, with suggestions for remedies in the not-too-distant future. We also recognise the total failure of emergency planning in the case—there are many lessons to be learnt from that. As my hon. Friend the Member for Liverpool, Garston (Maria Eagle) mentioned in detail, we are also aware of the alteration of police evidence.

Those are matters of huge public interest, which the families have campaigned about in a spirit of serving the community as well as their own family cases. The Government have moved on some of them quite quickly, and I trust that the sort of disaster that occurred is much less likely to occur again as a result.

I must press my hon. Friend the Minister a little about the alteration of police evidence, which was brought to my attention in specific cases by Phil Scraton and my constituent Mrs. Sefton, whose son Andrew was killed at Hillsborough. Frankly, I was amazed that officers were requested to write a free-form account of their experiences, rather than a formal statement. Having read some of them—I have not been into the boxes in the same way as my hon. Friend the Member for Halton (Mr. Twigg) has—ignoring the later editing, I am glad that they were written and I hope that some day, they will all be published. In addition to what I am about to say, writing them could well have been beneficial to the police constables concerned.

I have not ploughed through all the boxes and will concentrate on an example that is readily available to everyone in appendix 6 of the Stuart-Smith report—the account by Police Constable Frost of what happened to him that day. It is an extraordinary piece of writing—vivid, honest, emotional and moving. It is also very revealing. It gives a picture of his mood swinging from

[Mr. Colin Pickthall]

jovial complacency at the beginning to open distaste and dislike of fans when he came into confrontation with them, panic—not surprisingly—when the disaster began and then desperation in his pleas for leadership, which never came, along with his account of the chaotic communications system.

The account is interesting and I will read one or two parts of it. As I said, at the start on page 199, PC Frost is jovial, writing:

"On arrival, we parked our van in a prominent position, renewed old acquaintances and strutted about"—

of course, "strutted about" is crossed out by the later editing of the account. He goes on to say:

"A number of fans had cans of beer and were asked to finish it off before entering the ground, no problem"—

"no problem" is crossed out. A few lines later he says:

"Dick arrested a very drunken fan".

That is left in. He writes:

"I returned to the turnstiles passing a number of my colleagues carrying, dragging 2 or 3 prisoners".

The word "dragging" is cut out. Obviously, carrying is all right, but dragging is not. On page 201 we read that the area

"was also full of drunken, blood-covered fans"—

"drunken" is left in, but a few lines later,

"I remember hating them for their mentality",

is, of course, crossed out. When the panic began, he states:

"The radio was garbled and frantic",

which is important, given its part in communications on the day, but those words are crossed out.

On page 203 of the report we read:

"Megaphone giving orders. It's about time."

The lawyers have crossed out, "It's about time." The account continues:

"Notice for the first time gaffers are now about. Where have they been."

All that is crossed out. Later he writes:

"Fit fans venting their anger, blaming us. 'You're all useless bastards.' Yes, they are right".

Those last three words have been crossed out.

That is not merely editing by police lawyers—the account of what happened on that day has been censored and has been radically changed as a result. I understand that the original request to write reports was peculiar and that the eventual statements were more normal in police terms, but nevertheless they are evidence. In particular, they are evidence of inadequate leadership, huge complacency, and attitudes towards Liverpool fans and assumptions about their characters, which were at least unsavoury and probably dangerous. That aspect of the conduct of the South Yorkshire police should be investigated. Also, we should know whether that creative writing exercise is unique and whether the level of coercion in altering the reports is usual.

I shall concentrate in my last few minutes on the concerns brought to my attention by the family of Andrew Sefton, a 23-year-old who died at Hillsborough. His family have been tireless and intelligent in the search for the truth about what happened to him and, to be honest, they are still no closer to it. The centre of their concern lies in what happened in the gymnasium after 3.15 pm. My constituent, Mrs. Sefton—Andrew's mother—managed to obtain a viewing of the police video taken in the gymnasium where many of the victims died. She has told me about this and has also written to me, saying:

"I managed to obtain access to the video, though not from the South Yorks Police, and to my horror watched my son Andrew being pronounced dead, a procedure which took between 9-11 seconds.

However, what is concerning me even more is that the Police had assumed death by covering my son's face prior to pronouncement of 'life extinct', the S. Y. P. also assumed absolute control of events in the gymnasium, thereby preventing aid by other agencies which could have saved lives."

Her summary of these events was that

"the onus was placed upon the victims to prove they were alive by convulsing".

It is hard to imagine the perpetual pain of a mother who is convinced that her son could have been saved, but who knows that no serious attempt was made to seek life in him, let alone resuscitate him, while a fleet of ambulances stood outside.

Given what Mrs. Sefton has unearthed, we can readily sympathise with her anger, which is also felt in many other families, at the verdict of accidental death. I heard what the Home Secretary said about the legal definition of accidental death, but out there where it matters it is an insult. It will give the family pain for me to say for the record that it is more than possible that Andrew Sefton died in the body bag. That is not acceptable in any terms.

The case of Eddie Spearritt and others who survived, but who were placed alongside victims presumed to be dead highlights the need for the Government to ensure effective and efficient disaster and emergency planning. It also underlines the folly of the imposition of the 3.15 cut-off point by the coroner, which ensured that the families of many people, including the Seftons, have not had their questions answered. The coroner rightly sought merely to determine the cause of death; that is his job. If someone died at 3.30 or later, the crush in the west stand may not have been the only or immediate cause of death. Some means must be found of examining properly the events after 3.15. Many families will never be able to mitigate their anger and sorrow while they remain in deep uncertainty about how and when their relatives died.

My right hon. Friend the Home Secretary inherited a mess that had been allowed to fester for eight years. I have studied carefully what he has undertaken since coming to office and I cannot see what other legal measures he could have taken. Above all, he has been remarkably open with us and with the families in everything that he has done, and has been particularly robust in his attitude to the matter of police discipline.

I hope that the two factors I have mentioned will be investigated and will be addressed when the Minister winds up the debate. The events after 3.15 in the gymnasium and elsewhere, and the alteration of police records by the South Yorkshire police should be re-examined. There will be continuing anger and distress until those two matters have been properly exposed.

11.51 am

Mr. Eddie O'Hara (Knowsley, South): I regret having to begin by referring to the remarks of the right hon. Member for North-West Cambridgeshire

(Sir B. Mawhinney). His comparison with Myra Hindley and the Titanic disaster and his apologia for the police were completely out of keeping with the tone of the debate. He said that the police made an apology. Page 92 of Lord Justice Stuart-Smith's report shows that there was no apology. It contains expressions of regret, which to me fall short of an apology. The now chief constable of South Yorkshire police says sorry on page 93, when he says that we cannot bring those children back. By God, I should hope he is sorry, but that is not an apology as far as I am concerned.

Remarks were made about the behaviour of the crowd and, by implication, the contribution of those who were killed to their own deaths. When my three children were of primary-school age, I often took them among Liverpool football crowds, which were packed, robust and enthusiastic in their support of their team. I always felt that my children were completely safe among them: Liverpool football crowds are like that, but one needs to come from Liverpool to understand.

In contrast to the right hon. Member for North-West Cambridgeshire, my right hon. Friend the Home Secretary hit the right note when he said that it is difficult for us to appreciate the anguish of the Hillsborough families. Those of us who come from Merseyside are better placed than most to appreciate their anguish. It is echoed and magnified across Merseyside, not least in my community of Knowsley, South. It is a burning feeling not just of anguish, but of anger and injustice about the Hillsborough disaster. It is not about what happened and why it happened, although those are matters of great concern, but about what is seen to this day to be a wholly unsatisfactory response to the tragedy from the moment it started to unfold until now in this Chamber.

The speed of response to the plight of those who were trapped, having the life crushed out of them at the Leppings lane end, the access afforded to the emergency services, the treatment provided to those who were mortally injured, the treatment of the family members who had to identify the bodies, the availability of evidence to the subsequent Taylor inquiry, the treatment of the evidence that was available and the evidence that was not made available and is still coming to light to this day or is still being sought, and the conduct of the inquest have all been unsatisfactory. I hear what the Home Secretary says about the 3.15 cut-off point, but it is not satisfactory and there must be a further examination of what happened after 3.15.

The verdict of accidental death cannot be accepted by the families of the Hillsborough victims. The fact that no one has ever been held to account for the events on that awful day, 15 April 1989, is even more unacceptable. This debate affords the best opportunity we have had so far adequately to address these complex and sensitive issues. I do not deceive myself that I or anyone else alone can do justice in this debate to all the issues, but collectively we may succeed better than ever before. My hon. Friend the Member for Liverpool, Garston (Maria Eagle) made a valuable contribution. Her investigation into the 12 boxes of documents in the Library throws new light on the issue. I ask my right hon. Friend the Home Secretary to defer judgment on what further action he takes on this matter until he has fully considered the points raised in the debate.

As I cannot hope to cover all the issues, I shall speak on behalf of one family in my constituency who lost a son in the tragedy. James Aspinall had a bright life before him, a secure and loving family, a job that he enjoyed and that offered prospects, and a joy of life. He went to a football match to support his beloved Liverpool and he was killed. I know that his parents would approve of that choice of word. His parents' last image of him is a photograph of him lying on his back alone with a coat being thrown over him, seemingly even before a doctor could get to him to certify him dead. They asked, "Did no one help him?" They have never received a satisfactory answer. What a question never to receive an answer to.

James's parents suffered the indignity of tests and questions about the level of alcohol in his body. Why? It happened that James did not have excessive alcohol in his body, but what if he had had? Alcohol was not a contributory factor to the deaths of those who were killed. In any event, it is not a crime to have a drink before going to a football match, and it is certainly not a crime punishable by death.

Why, ask Mr. and Mrs. Aspinall, were drink tests not carried out on those whose response to the unfolding tragedy was so woefully inadequate? They resent the fact that the police officers judged to be responsible for the tragedy were allowed to escape disciplinary action by taking early retirement on grounds of ill health. They appreciate that the Home Secretary is taking steps to make it more difficult for that to happen in future, but they cannot come to terms with the fact that many of those who were responsible for causing the tragedy—or who were implicated in its shameful aftermath—may be leading lives of ease, comfort and pleasure, with the assistance of large sums from early retirement settlements or from compensation for post-traumatic stress disorder.

The Aspinalls cannot understand why the Director of Public Prosecutions could not find sufficient evidence to prosecute on any count—great or small—those who were so clearly found responsible. They cannot understand why, even if the senior police officers in operational control on the day were able to evade the consequences of their actions, vicarious responsibility did not pass to South Yorkshire police, and, ultimately, to the chief constable, Mr. Wright. They seek an explanation of why the Health and Safety Executive was not involved in investigations after the event, regarding the responsibilities and liabilities of not only the police, but Sheffield Wednesday football club, Sheffield city council and the Football Association.

It must be said that Mr. and Mrs. Aspinall are cynical about the availability of information, and the inquiry's treatment of what information was available. They will be satisfied with nothing short of a fresh inquiry into all the evidence, including that which has subsequently been made available. When I tell them that Lord Justice Stuart-Smith has effectively done all that they ask, they are dismissive of his investigation. They were dismissive from the time of his public relations fiasco, when he made unfortunate remarks about Liverpool supporters being typically late. They point out that they were early for their appointment with him, but the media circus made him late to meet them. They remind me that James was killed because he arrived early to watch Liverpool play Nottingham Forest.

[Mr. Eddie O'Hara]

I explained to the Aspinalls that my right hon. Friend the Home Secretary was reluctant to put the Hillsborough families through the pain of another inquiry when his best advice was that the outcome would be no different. They replied that they could not suffer any more pain than they had suffered since 15 April 1989—pain that they continue to suffer.

I said earlier that I hoped my right hon. Friend would defer consideration of what more might be done about the Hillsborough disaster until after he had fully considered our debate. He says that nothing could be achieved by a further full investigation. My constituents ask to be allowed to be the judges of that. As far as they are concerned, justice has not been done, and it certainly has not been seen to be done.

More can be done. My hon. Friend the Member for Garston has pointed out that there are the strongest possible grounds for a further investigation into the behaviour of South Yorkshire police from the moment of the Hillsborough disaster up to today. As she said, the force should at least be made to say, "Mea culpa"; I would prefer it to say, "Mea maxima culpa." A subsequent inquiry might find that there are people who are still in post who could be held to account.

There are grounds for investigating the workings of the DPP at the time. Neither the families nor I are satisfied that all questions have been answered there. In addition, as my hon. Friend the Member for West Lancashire (Mr. Pickthall) said, there are certainly grounds for closer investigation into events after 3.15 pm.

I suspect that some people are still in post and liable for disciplinary proceedings, or other proceedings, for what happened that day, or subsequently. The fact that they may have got away with cover-up and deceit for nine years is no reason for continuing to evade action. I ask my right hon. Friend the Home Secretary to consider carefully after the debate whether there may be specific events or factors that he could investigate further, even if that investigation goes short of a whole new public inquiry into the Hillsborough disaster.

12.3 pm

Mrs. Louise Ellman (Liverpool, Riverside): When the House was given the welcome news that the events surrounding the Hillsborough tragedy were to be scrutinised, I asked my right hon. Friend the Home Secretary for an assurance that the feelings of those who were most concerned would be fully considered. I had in mind feelings of anger and distress, but also the mounting sense of injustice. It is nine years since the tragedy, and we have had Lord Taylor's unequivocal statement that the main reason for the disaster was the failure of police control. What happened was preventable, and organisations and individuals were responsible; some issues raise the question of a possible attempt to pervert the course of justice. Despite all that, nothing has happened.

Nine years on, and after the publication and consideration of the scrutiny, there have still been no prosecutions or disciplinary actions. That is unacceptable. The verdict of accidental death stands, but that is also unacceptable within the normal meaning of the term. Police statements were changed and police influenced the changing of statements by others, but it seems that the significance of those changes was minimised. Video tapes were stolen from a secure, controlled area, but answers to questions about that have never been given, no inquiry into the matter seems to have proceeded and to this day, the tapes have not been recovered. That is also unacceptable.

The coroner's decision to impose a cut-off time of 3.15 pm, whatever his reasons in terms of the inquest's conduct, was certainly seen to devalue the lives of those who lived after that time, and perhaps it assisted in avoiding the issue of the care of those who were still alive. I use the word "care" with its normal meaning.

It would be wrong to say that nothing has changed in the past few months. Were it not for the scrutiny that resulted from the Home Secretary's decision, we would not be debating the issue and the matters that have been raised could not have been brought to the House with the same strength of feeling, based on facts. Disciplinary codes are to be changed, and we can anticipate changes in the conduct of coroners' inquests in similar circumstances. Safety at matches in general has been improved, but none of the changes deals with retrospection or affects the lives, feelings or views of those who were directly involved.

I return to where I began—the feelings of those who were involved when the scrutiny was announced. Will the Minister make it clear that he appreciates that a purely legalistic approach to the way that matters have developed cannot assuage the anger, the stress and the other deep feelings of those who were involved? Does he agree that there should be a recognition of at least the possibility that the lack of action against the police who were involved is unjust and perhaps against natural justice? Has he considered the role of the Director of Public Prosecutions at the time of the events and since? Will he place on record in a form that he feels appropriate a statement that Hillsborough was no accident in the normal meaning of the term, that culpability was clearly established and that there is regret that it is not possible to take retrospective action to deal with those matters? Could he make it clear that his decision about the problems of a future inquiry relates to the legal judgment by Lord Justice Stuart-Smith, who states that that would serve no purpose—no purpose, that is, in a legal sense? I ask my right hon. Friend the Home Secretary to put it on record and to make it clear that, although he accepts that ruling as a legal ruling, which has been made clear, he understands the feelings of those involved that the purpose of any future inquiry would be to ensure that no stone was left unturned.

It appears that no further legal action can be taken, although I urge my right hon. Friend to consider whether there are any other ways in which any of the specific points that have been raised can be considered further. I certainly urge him to make statements that set out the reasons for his decisions, and an appreciation of the feelings, anger and grief that are involved and the concerns that are still mounting.

Those feelings of anger are justified. I understand the legal system and I think that it must be a cause of deep regret for all of us that retrospective action on these cases has not appeared to be possible but, if it is not possible for a judicial system to deal with feelings of legitimate anger, with people thinking that their concerns have been considered properly, that judicial system has failed. Therefore, I welcome the steps that are already being

taken to remedy that situation and ask my right hon. Friend to consider that system further, so that nothing like this can ever happen again, and such feelings of grief and injustice cannot occur again.

12.10 pm

Mrs. Claire Curtis-Thomas (Crosby): Ninety-six people died in Hillsborough and the law says that that was an accident. I have heard the definition of the word accident today. However, that is totally inadequate to describe what happened at Hillsborough. Each family was affected in a different way by the tragedy and has found a different way in which to try to cope with it. No two families have exactly the same concerns. Our duty in the House is to respond in the best way that we can to those individual concerns.

I thank my hon. Friend the Member for Liverpool, Garston (Maria Eagle) for her contribution. She articulated many of the technical matters from a professional position. It is an ability that I envy and an ability and competence that I do not have, but I am not alone in that ignorance: I share it with many of the families who started down this road, looking for justice. However, my specific duty today is to focus on the eight families who live in my constituency who were affected by the Hillsborough disaster.

I discern three groups among those families; I think that it is important to understand that there are three groups. First, there are those who are actively campaigning for justice by banding together. Many of those people are with us today and travelled down with me on the 5.45 train. Those are the members of the support group. Secondly, there are those who continue their campaign as individuals outside that group. Thirdly, there are the silent families; the ones who have chosen, for their own reasons, to try to forget and to get on with their lives.

We have to represent the interests of all three groups. I have had lengthy discussions with four of the families who come into the first two groups and I shall try to articulate their concerns. I felt that it was inappropriate to intrude on the privacy of the families who have not approached me. Nevertheless, I have a duty to represent their interests, which must not be forgotten.

Silence may mean many things; for some families, it may mean the need to move on. However, my major concern is that it may be because of an inability to articulate their feelings within the judicial process. Many people feel totally disempowered by the process that they have had to confront to realise the justice for the families whom they have lost.

I now return to the verdict of accidental death. The families know that, whatever is done, their loved ones cannot be brought back. The majority also accept reluctantly that the law cannot be changed retrospectively, but they want two things. I have had extensive conversations with the families. I cannot emphasise too strongly the fact that at least one family comes to see me at every surgery that I hold. It ties up an inordinate amount of time, but it shows the House that the subject preoccupies many families completely and utterly.

First, my families want to feel that the authorities have been as frank and open as possible, but the evidence confronting them clearly shows that that is not the case. They want to be addressed as individuals, not as an amorphous group. They are not an amorphous group; they are people, and unless we make every effort to address the issues for each family, we shall not start to solve the problems.

Secondly, the families want practical steps to be taken to ensure that the inadequacies and complete failures brought to light by the Hillsborough tragedy are not repeated. The people whom I represent want an open dialogue and reassurance that things will change. They want legislation to back that reassurance—words are fine, but legislation is a different matter. If those two conditions can be satisfied, the death of their loved ones will not seem quite so in vain and utterly pointless.

I welcome many of the initiatives already undertaken, especially that undertaken by my hon. Friend the Member for West Lancashire (Mr. Pickthall). He has written to all the families, inviting them to express their concerns and their needs. That was vital. Out of that has come a letter from one of my silent constituents. We think it is the first time that the person involved has put into words how they feel. It was a worthy initiative, but what happens to the letters? What happens to the specific inquiries? My impression is that they are dealt with in a global fashion by some sort of mass reply which is supposed to satisfy all their needs but does not. The points need to be tackled one by one.

My constituents ask many questions, and I ask my right hon. Friend the Home Secretary to deal with them. I ask these questions on behalf of my families, who have raised them with me. I put them before the House now. After conflicting and changing medical evidence over the years, why can there not be a fresh inquiry for Kevin Williams? He was not dead at 3.15 pm or at 3.30 pm. He died of neglect, somewhere. A verdict of accidental death does not say that. Why cannot the parents of Gary Church be allowed to pursue a pre-death trauma claim, when the facts show clearly that Gary suffered horribly before he finally succumbed?

Why has no individual been brought to account for the death of Paul Hewitson? Was his life so immaterial that it did not even justify a rebuke of any significance? Following the death of his only son Christopher, can Mr. Barry Devonside look forward to the establishment of a corporate responsibility law to cover such incidents in the future? He has gone beyond wanting an individual done for this atrocity, because an individual can devolve responsibility to others, and the greater others in this instance—Sheffield football ground and the authorities—have not been brought to justice. The corporate responsibility that means that those people can be brought to account does not exist.

Would the inquest jury have given a verdict of accidental death in the case of Steve Robinson if it had known about the negligence, lies and altered statements of the police? I guess not. Those facts were recorded in the Taylor report but not put before the inquest jury. I am just a normal person, and I do not understand that.

Were any of the judiciary, coroners or senior police officers freemasons? If so, which ones? Those people were not held to account, and other people do not understand why. However, hon. Members are held to account in this place, and we shall not be allowed to relinquish or redeem our responsibility until reasonable questions are answered with acceptable reason.

How could the 3.15 pm cut-off be allowed to stand in the face of very clear evidence that it was complete nonsense? Why was the key independent witness,

[Mrs. Claire Curtis-Thomas]

Mr. Houldsworth, not called by the Stuart-Smith scrutiny? I have heard reasons why he was not called—that, although his evidence was considered, it was not thought to be worth recalling.

Mr. Straw: It is important that my hon. Friend should understand that Mr. Houldsworth gave detailed evidence to the Stuart-Smith inquiry. If she turns to page 133, she will see an extensive transcript of his evidence, which goes on for many pages.

Mrs. Curtis-Thomas: My apologies for that.

Why was the verdict of accidental death not reconsidered?

Those are some of my constituents' questions. After nine years of receiving answers to those questions, they still do not know the truth. There is something wrong with the answers that they have been given. We are not dealing with a group of people who are illiterate. They are not illiterate; they are reasonable and honest, and they deserve a response that they can understand and accept. They have been asking the same questions for years, and those questions need to be answered.

What should happen now? For each individual family, there has been an individual tragedy. It is simply unacceptable for families to think that their loved ones have not been dealt with by the system as individuals, but rather that the system has operated like a sausage machine. Like my right hon. Friend the Home Secretary, I do not see the point of another full-scale judicial inquiry. However, I think that two things need now to be done.

The first is to make a commitment to change the system for the future. We have seen much evidence of change, which I welcome, as do my constituents. The Home Secretary has already announced that he will stop the escape route of early retirement for police who are under investigation. The appropriateness of the inquest system for large-scale disasters is also under review. In addition to those changes, a notion of corporate responsibility should be introduced whereby a chief constable or chairman of a football club, or whoever has authority, is made personally liable for the operation of proper safety procedures.

Secondly, the individual questions that the families wish to ask should be answered personally. When confronted by the complexity and unfamiliarity of the legal system, most people feel inadequate and intimidated. Some of the active campaigners on the issue have now, perforce, developed a formidable expertise in the law, albeit nine years too late.

Many of the families have felt some guilt that they have not been able to do justice to their lost relation. No one should feel guilty or inadequate because they do not know the minutiae of legal procedure, or cannot write a persuasive letter or articulate their feelings. Our judicial system must be sufficiently robust to accommodate those who are disadvantaged by ignorance.

I should like every Hillsborough family to be offered a home visit by an official, who will discuss the families' concerns and help them to present in writing their concerns and unanswered questions. Those documents should then be collated, so that all the concerns and questions are identified. Subsequently, the questions and concerns should be presented to my right hon. Friend the Home Secretary and to Home Office Ministers for answer. Each family should receive a detailed and personal letter, dealing with their concerns.

Even at that point, I do not think that all the agitation would cease. Issues on which action can be taken should be addressed. When no further action can be taken, the family of each individual should receive a personal—I stress personal—explanation of why that is so.

Many of my constituents have written letters that have still not been answered. If the actions that I have mentioned are taken, humanity will have entered into the process—something that, for many years, it has not done.

12.23 pm

Mr. David Watts (St. Helens, North): I am here for two reasons. The first is to represent my constituents who were badly affected by the Hillsborough tragedy and the second is that one of my close childhood friends died in the disaster.

I was brought up with my friend. We went to youth clubs, pubs and clubs and spent our first holiday abroad together. We both supported Liverpool football club. Like most childhood friends, we got married, moved away and lost touch. However, just weeks before Hillsborough, we met up again. We had a drink in a local pub and agreed to meet again a couple of weeks later. The second meeting never took place because, in April 1989, Liverpool played Nottingham Forest at Hillsborough and within minutes of my friend attending that match, he was fighting for his life in a tragedy that claimed the lives of 95 people and left 400 others requiring hospital treatment.

Like all hon. Members here today, when I heard of the disaster, I was shocked. I was even more shocked to discover that my close friend was one of the victims. Along with many other people, I attended his funeral. He was a popular man. As one would expect, it was a sad event. There was a great feeling of loss and we all wanted to know why such a disaster had happened. We took some comfort from the thought that there would be a full public inquiry to establish the causes of the disaster and hold those responsible to account.

We have now had a police inquiry, a coroners court inquiry, a public inquiry and a review of the first inquiry, but many bereaved families feel cheated and let down by the system. They feel that there is no justice. They also feel that the police seem to be far more interested in protecting their own backs than in seeking justice for the people who died. I understand those feelings.

It would be wrong of us not to acknowledge that some progress has been made. Thanks to Lord Taylor, who did an excellent job, we know the cause of the disaster. We cannot criticise him for not getting to the facts, a point to which I shall refer in a moment. We know who was to blame for the disaster and how to stop similar disasters in future, so the Taylor report resulted in positive action. Lord Taylor made it absolutely clear that he blamed the local council, the football club and, most of all, Chief Superintendent Duckenfield and the South Yorkshire police. He did not accept the scandalous allegations by the South Yorkshire police and *The Sun* newspaper. We know that Liverpool fans did not contribute to their own deaths, although the police attempted to blame their behaviour and accused them of being drunk.

I believe that Merseyside people will never forget or forgive South Yorkshire police or *The Sun* newspaper. To this day, many newsagents in Liverpool will not take copies of *The Sun*. Disgusting and insensitive statements were made and the police showed themselves unfit to hold the position of trust in which they had been placed.

As I have said, we have now had a police inquiry, a coroners court inquiry, a public inquiry and a review of the first inquiry and we know who is to blame, but nobody has been held accountable—why? Is it any wonder that the families feel let down? They feel that nothing has been done and they have not received justice.

What can be done now? Unfortunately, I feel that it is not possible to hold people to account after nine years, for the reasons that we have heard. I also accept that it is impossible to turn back the clock and change the law retrospectively. However, my right hon. Friend the Home Secretary was absolutely right to order a further review of the first inquiry. He should be given some credit for taking that decision, although he knew that it might well be difficult for him. He should also be given credit for the action that he has taken so far. I fully support the proposed changes to the coroners court and the idea of stopping officers who are subject to disciplinary action taking early retirement to avoid that disciplinary action.

However, we need to make further changes. The families of the Hillsborough disaster had a right to justice. They had a right to expect that the police, the coroners court and the public inquiry would seek the truth. They know that South Yorkshire police tried to blame the Liverpool fans. It is clear from reading the police statements that there was a co-ordinated effort by the police to change the statements to give the wrong impression about what took place on that day.

The families want to know why the Director of Public Prosecutions took no action. As other hon. Members have said, we want to understand that decision. We want to know whether there is any possibility of producing the evidence on which counsel based that decision.

We should also like to know why the chief constable was not held accountable. I was amazed to find no more than a brief mention of the chief constable's responsibility. He had overall responsibility to ensure that the match was policed properly. He knew that Mr. Duckenfield did not have the expertise to do that and that, 12 months earlier, a similar accident was averted by correct action by police officers. He did not ensure that the officer in charge was briefed, understood his duties and was able properly to conduct the policing of the event.

The Home Secretary has tried to deal with many of the questions that have been asked, but the families remain uneasy about the police and legal system investigating themselves. That unease is heightened because the families know that, within the police, the legal profession and the Home Office, there is a secret organisation that serves itself. I make no accusations that the investigation was affected by that organisation, but its existence goes to the heart of democracy. We cannot tolerate a secret organisation operating in the police force, the Home Office and the legal profession. We need to ensure that every member of the public understands that the legal profession is independent and open. That goes to the heart of democracy.

I have the deepest sympathy for the families affected by the Hillsborough disaster. It is bad enough to lose a loved one, worse to be left with a feeling of injustice. I am sure that my right hon. Friend the Home Secretary will note the comments made by hon. Members today and take appropriate action as soon as possible to restore the good name of the legal system.

12.31 pm

Mr. Joe Benton (Bootle): I want to place on record my complete appreciation of my right hon. Friend the Home Secretary for his conduct towards north-west politicians, his expressions of sympathy and his informative manner. We all understand his position. He has not made his decision lightly, and we appreciate that it was very difficult. I want also to place on record my appreciation of the Under-Secretary, who has also faced difficulties. It must have been torture for Ministers to go over those deliberations again and again.

However, I state categorically that the possibility of a new inquiry should be considered. I do not say that lightly. I have given the matter a lot of thought. The Home Secretary's logic is compelling and hard to refute. This morning, we have been debating many aspects of what may best be described as this tragic event—the huge loss of life and the families' sorrow.

I was very impressed when the shadow Home Secretary quoted William Butler Yeats. I found it a fitting description of grief and tragedy, because I happen to know the poem, and it is very moving—and that is important. Logic does not always figure in grief, and everyone grieves differently. I know from my experiences with the families that we could help them to grieve in a very positive way—although it goes against the logic of what the Home Secretary said—by ensuring, to echo the words of my hon. Friend the Member for Knowsley, South (Mr. O'Hara), that justice is seen to be done. Rightly or wrongly, in the families' eyes, justice will be seen to be done only if they achieve their stated aim.

Since the Home Secretary's statement to the House on 18 February 1998, I have had many discussions, and every family or grieving person to whom I have spoken about the Hillsborough issue has said, "Let us have another inquiry." That emotion—that feeling—cannot be ignored. I urge the Home Secretary to consider my remarks and those of my hon. Friend the Member for Knowsley, South, even if, at this stage, it appears that he cannot go back on his decision. An inquiry is the only way that I can see to alleviate or mitigate the feelings of the grieving families of Hillsborough.

In March 1998, I wrote to the Home Secretary; I know that my letter is receiving attention. At that stage, I formally requested that he reconsider holding a fresh inquiry. I have always understood the Home Secretary's raison d'etre for reaching his conclusion, which was sincere, and I appreciate it when he says that his main reason for not wanting another inquiry is that he does not want to put the families through the travail of all those horrible events once more. Anyone would recognise that feeling. However—to return to my theme of how grief is alleviated—I am assured by the families that they are happy to go through that travail in pursuit of what they perceive as justice. I take the opportunity to appeal once again to the Home Secretary to reconsider, taking note of all the comments and remarks that have been made this morning, because ultimately our concern must be how best to alleviate the grief of the families of those who were tragically killed at Hillsborough.

[Mr. Joe Benton]

We must also take into account the depth of feeling of the whole population of Merseyside. The three main Churches involved locally have made appeals for a new inquiry. The media have been appealing for a new inquiry. This morning, I add my voice to those appeals. I hope that it does not fall on deaf ears.

12.38 pm

Mr. Andrew Miller (Ellesmere Port and Neston): I should like, first, to add to the comments made by my hon. Friend the Member for West Lancashire (Mr. Pickthall) in thanking my right hon. Friends the Leader of the House and the Home Secretary for their co-operation with the north-west Labour group. Both responded positively to the group's request and said that they wanted a debate. I want to kill the argument, advanced by a number of people in the press, that my right hon. Friend the Home Secretary is trying to duck out of the issue. That simply is not the case. We welcome the debate, as do hon. Members on both sides of the House.

I want to deal with two specific points; the coroners courts and the actions of the police. I welcome what has been said about the review of the role of coroners courts. My experience over my years in the House has been added to by my experience as a patron of the charity RoadPeace. I have had to deal with many families who have lost loved ones and had to face the difficulties of our coroners court system—I often hear reports of the system's lack of humanity.

My right hon. Friend the Home Secretary spoke about the use of language and the shadow Home Secretary talked about confusion and misunderstanding. That is hardly surprising in view of the abuse of the English language that occurs when accidents are referred to. How can anyone say to someone who has lost a loved one run over by a drunk driver or as a result of the incompetence of the South Yorkshire police that it was an accident? Of course it was not an accident. There is culpability.

In the language that we use and the Coroners Act 1988 and other legislation that relates to this terrible tragedy, the problem is the difference between a genuine accident and that which implies that there was some intent. There is a middle way. I hope that my right hon. Friend the Home Secretary is looking carefully at the work of the Law Commission which, if my memory serves me, was published in March 1996. It attempted to distinguish between those two extremes but retained the option of examining culpability in the spectrum. That would apply to charges that might emerge as a result of police inquiries, but it also needs to be examined in the context of the role and guidance that is given to coroners courts.

We are all guilty of falling into the trap of this language difficulty. I listened with interest as a fellow Cheshire Member to the hon. Member for Congleton (Mrs. Winterton). At the beginning of her speech she used the words, "cruelly killed". That is a perfect description of what happened. Those people were cruelly killed. Later, she slipped into the easy language of an accident. I make no criticism of her for that. We all easily slip into it. It was not an accident in the purest sense of the word. We all know that.

I urge my right hon. Friend, when he reviews the Coroners Act, to consider it in the broadest possible way and not to separate out types of incident. I am sure that the families of the Hillsborough victims would not want to be separated out. There are obviously special circumstances when a large number of people are killed in a tragedy, but where does one draw the line? At 100 people? At 50 people? Or at 10 people? Is it the one child killed by a drunk driver? We need a revision of the principles that guide our coroner system.

My right hon. Friend the Home Secretary said that we cannot turn back the clock. We would all like to turn it back in this case—not least the bereaved families—but if we were able to turn the clock back only to the day after the tragedy, we would want to apply more rigorously the law as my right hon. Friend envisages it. We need to consider the coroners court system and the police.

The corporate functions held by Sheffield Wednesday football club and other large bodies have been mentioned. We have heard similar debates about incidents such as the Marchioness disaster. The role of corporations needs to be examined with some care. The bottom line is that there is no doubt that the largest part of the responsibility rests with the failures of the police.

Like every right hon. and hon. Member, my right hon. Friend the Home Secretary is not anti-police—he is there to support the role of the police—but he emphasised, as many have done, the fact that the inquiries described Duckenfield as a liar. One cannot get more blunt than that. He slipped through a net that has existed for many years. We cannot simply brush the problem off and blame it on the previous Administration—it is the fault of our system, which has been in place for many years.

The one positive thing that can emerge from this terrible tragedy is what appears to be an all-party agreement that there ought to be a primary revision of the regulations governing police discipline. I believe that there would be widespread agreement also for major revisions to the coroners court system. That will not bring justice for the Hillsborough victims. We cannot retrospectively bring about justice because of the inadequacies of the two issues to which I have referred.

I wish to add my concerns about the role of the Director of Public Prosecutions, which needs to be re-examined. The consequences of the DPP's actions perhaps diminished the likelihood of prosecution at the time, and now, all these years later, many of the issues cannot be brought to court. We are in a ludicrous situation: we are trapped by a law, made by this House, that is inadequate to meet the needs of the citizens we seek to represent. We cannot turn the clock back, but we have a duty to ensure that we learn lessons from this terrible tragedy.

My hon. Friend the Member for West Lancashire referred to a particular issue that needs to be examined in some detail. The report showed in detail the way in which PC Frost's evidence was amended—if that is the right word—to the advantage of one side of the debate. That is an inappropriate way for the police to handle evidence. Major changes need to be made—there must be openness, frankness and honesty in all future inquiries on such terrible incidents.

12.49 pm

Mr. Mike Hall (Weaver Vale): I am eternally grateful to my right hon. Friends the Home Secretary and the Leader of the House for allowing this debate. The Home Secretary made it clear when he announced the results of the scrutiny that the matter merited a debate on the Floor of the House, and that is what is happening today.

People may ask what interest I have, as Member of Parliament for Weaver Vale—a mid-Cheshire constituency—in the Hillsborough disaster. It is not widely known that the Runcorn part of my constituency has a large Liverpool overspill—a number of my constituents lost loved ones on 15 April 1989. Tommy Howard senior, Tommy Howard junior, Kevin Tyrell and Adam Spearritt all died at Hillsborough on that day. When the constituency boundaries changed, I inherited Mr. Harrison as a constituent, who lost his two brothers at Hillsborough. I have read the scrutiny report in great detail. I shall make a personal apology to the Hillsborough families—as Members of Parliament, we are almost impotent to bring them the justice that they want.

It is impossible for hon. Members to understand what it was like for people to lose a son, daughter or wife at Hillsborough—people cannot know what it was like unless it happened to them. The lives of people at Hillsborough and their families were scarred by an event that was beyond their control. Subsequent events have not helped those scars to heal.

When we inherited the mantle of government, we inherited the problems of Hillsborough. We knew what those problems were: first, no one had been prosecuted for the 96 deaths on that fateful day; secondly, none of the police involved had been disciplined; and thirdly, the inquest had recorded a verdict of accidental death. I find it beyond belief that what happened was a case of accidental death. I know that the inquest could have reached an open verdict and that the jury was not unanimous about the result. The jury could have recorded verdicts of death by misadventure or unlawful killing, but it did not—it reached a verdict of accidental death. Faced with those three problems, it is no wonder that the families feel angry, frustrated and a deep sense of injustice.

That sense of injustice has been compounded by the decision that the inquest would not take evidence about what happened after 3.15 pm, a matter to which I shall return. It has been compounded by the fact that the police statement of the evidence of Dr. Edward Walker, a local anaesthetist who had rushed to the hospital after seeing the events on television—the statement is a harrowing account of the aftermath of the disaster—was witnessed by Woman Police Sergeant Appleton, when in fact she was not there. Is it any wonder that the families of the victims are concerned about what went on?

My hon. Friend the Member for Liverpool, Garston (Maria Eagle) has been through the police evidence, as we heard. I am certain that that evidence was deliberately tampered with as a damage limitation exercise, to protect the police's reputation. Whether that was a conspiracy—a concerted action—is not for me to judge, but it clearly took place, and that makes the healing process far more difficult for the families. To add insult to injury, video evidence was stolen. The position is extremely messy.

I am caused real pain by the fact that police officers who were on duty in Hillsborough on that day are entitled to compensation for the trauma and distress that they suffered, but the victims' families have not been compensated in like fashion.

The previous Government resisted pressure to look afresh at the events. They acted on the advice of the Director of Public Prosecutions, who said in late 1996 that there would be no formal grounds for criminal proceedings. The Attorney-General of the day confirmed the view that an application to the High Court to have the inquest reopened would not succeed and the previous Government decided to draw a line under the event.

When we came into government, my right hon. Friend the Home Secretary, bravely and rightly, asked Lord Justice Stuart-Smith to take a detached view and reappraise the evidence in detail. I said that I had an apology to make, because I welcomed Lord Justice Stuart-Smith's scrutiny, as I was looking for a way of making progress and ensuring that the culprits were brought to book. I hoped that we might be able to reopen the inquest and get the verdict of accidental death changed, and that police officers might be disciplined. Sadly, events and powers beyond the control of Government have frustrated that expectation.

Lord Justice Stuart-Smith rightly lays the blame firmly at the door of the police. That has never been in doubt. There is nothing equivocal about what he says when he draws attention to the fact that Chief Superintendent Duckenfield lied to the inquiry. It is also interesting to note that the original Taylor report concluded that the most likely explanation for Chief Superintendent Duckenfield's behaviour was that he "froze". In that moment of inaction, a tragedy was caused.

For the hon. Member for Hertford and Stortford (Mr. Wells) to try to blame the victims for what happened at Hillsborough is absolutely irresponsible. The victims' families have suffered enough, without having to go through the trauma of being told that their loved ones who lost their lives at Hillsborough were responsible for their own deaths. To convey such a message is totally unacceptable, because the clear conclusion of all the reports is that it was not the behaviour of the fans but the poor and inadequate policing that contributed to causing the deaths. I hope that we can get unanimous agreement in the House on that issue.

The real problem comes with the office of the Director of Public Prosecutions, because we are told that there is insufficient evidence for a criminal prosecution. I do not know whether that is right or wrong. Our judicial system makes the decisions of the Director of Public Prosecutions independent of political considerations, and that is absolutely right—politicians have no right to try to influence individual prosecutions—but, like my hon. Friends, I am firmly of the opinion that the Director of Public Prosecutions in 1989 should have taken steps to bring somebody to book, and I think that the evidence could still be reappraised to allow that to happen. If the evidence is marginal, and there are two counsels' opinions on the matter, let the courts decide, because that is what our justice system is all about.

Another failure is that the statute that was in place at the time allowed police officers to take the escape route of retiring on health grounds when faced with the possibility of police disciplinary procedures, which is another matter that is beyond our control. Chief Superintendent Duckenfield's exit through that escape route on health grounds is an absolute travesty. I am only sad that we cannot do something retrospectively to stop that practice. However, we have a convention, which is well established in Parliament and in the European convention on human rights, that legislation should in that respect not be retrospective. Now, legislation is essential to ensure that that loophole is closed, and my right hon. Friend the Home Secretary has said that that will be the case.

[Mr. Mike Hall]

None of that brings any succour or comfort to the families of the victims of Hillsborough. There are two incontrovertible facts in the case: the Director of Public Prosecutions has refused to act, and it is outside the remit of Parliament to direct the DPP; and the police disciplinary procedure that was in force in 1989 prevents retrospective action from being taken when police have exited the force on health grounds. One channel is left open to the victims of the Hillsborough disaster, which is to seek a private prosecution, but I am advised that that will not work. I am no legal expert and do not have any legal training. On such matters, I have to take advice.

What concerns me most is the fact that the coroner's inquest decided not to take evidence about what happened after 3.15 pm, claiming that all those who died at Hillsborough had sustained their injuries before that time, which I do not dispute. My hon. Friend the Member for Halton (Mr. Twigg), who has the neighbouring constituency to mine, was at Hillsborough and testifies to the fact that the crush was clearly over by 3.15 pm. However, I am not so sure that the activities that took place in the gymnasium, for example, covering the bodies with sheets, did not contribute to the deaths of some of the 96. Placing a cloth over the face of people who had been crushed, asphyxiated or were suffering from cardiac arrest would not seem to be the best sort of first aid and not the aid that I would have rendered.

That was the tragedy, and now we must learn the lessons. I hope that we can again turn our attention to what happened at Hillsborough at 3.15 pm. Mr. Eddie Spearritt, a constituent of mine, was with his son Adam at Hillsborough. Adam died in intensive care at 4.45 pm. He was in pen 4 and was struggling up against the gateway to the pen when he asked Police Constable Illingworth to open the pen gate—Lord Justice Stuart-Smith's report refers to the incident. He told me that that happened at 2.59 pm, but Police Constable Illingworth failed to respond to his request. Whether that failure to act resulted in the death of Adam I shall never know, but Mr. Spearritt passed out. On page 45 of the report, in paragraph 32, Lord Justice Stuart-Smith states:

"I have been unable to ascertain at what time Mr. Spearritt reached hospital, though according to Mr. Wardrope it was before 5 pm. Most of the serious cases, of which Mr. Spearritt's was one, were taken to hospital well before this. No detailed inquiry or evidence was collated in respect of victims who, like Mr. Spearritt, were crushed but survived. I do not think that it is possible to conclude on the evidence that Mr. Spearritt was at any time 'left for dead'."

According to an article in the *British Medical Journal*, which is confirmed by Mr. Wardrope, Mr. Spearritt arrived at the hospital at precisely 5 pm. I wonder what evidence Lord Justice Stuart-Smith had to show that he arrived before. That might be a marginal question; the big question is what happened between 3 pm and 5 pm. Where was Mr. Spearritt?

I have tried to track down PC Illingworth's statements in the Library. They are listed in the index, but there are 12 boxes of papers and I have not yet been able to track the statements down. It will be interesting to read the abridged and unabridged versions, then we might get to the truth of what happened to my constituent and his son, because to this day he does not know. He has had to come to terms with the fact that he has lost a loved one.

I stress to my hon. Friend the Minister that that aspect of the inquiry has to be revisited. Families must know what happened on that fateful afternoon.

I began by making an apology. Justice must not only be done; it must be seen to be done. In this case, justice has not been seen to be done, because it has not been done. The families of the Hillsborough victims will feel deeply let down, disappointed, angry and frustrated. I feel exactly the same because I am not empowered to do anything about this tragic situation. It is difficult to accept conclusions that do not conform to one's hopes and expectations, which is precisely what has happened with Lord Justice Stuart-Smith's report. Nevertheless, I think that he has probably reached the right conclusions. It is painful for me to say that, but we must learn the lessons of Hillsborough to ensure that in future families do not have to suffer the trauma that the families from Hillsborough who are here today have had to endure.

1.5 pm

Mr. David Hanson (Delyn): It has been a privilege to hear the contributions of my hon. Friends, who for many years have been looking into the appalling events of April 1989. Many of my hon. Friends present today represent constituencies in the Merseyside area, but the tragedy spread across many constituencies. It was felt strongly in my constituency in north Wales. John McBrien from Holywell in Flintshire, who was one of my constituents, died at Hillsborough, and other constituents have been affected by the tragic events. John was one of the 95 individuals who died that day.

I cannot begin to imagine the horror of that day and of the events that have occurred since. I have children of my own, and I have lived in my constituency for most of the time that I have been a Member of Parliament and before that. I cannot imagine the pain felt by families in my community as a result of the Hillsborough disaster.

Like my hon. Friend the Member for Halton (Mr. Twigg), I have supported Liverpool football club all my life. I represent a seat in Wales, but I was born in Liverpool. I can see Liverpool from the bedroom window of my home. We are eight miles as the crow files from that town and I can be there in 20 minutes. The horror that has affected Merseyside following this incident reverberates throughout many parts of the United Kingdom. Today, I want to express the concerns of my constituents, particularly the family of John McBrien.

I have followed the case of the individuals involved in the press over many years, but I was not contacted by my constituent Mrs. McBrien until after the Stuart-Smith inquiry reported. Like my hon. Friend the Member for Crosby (Mrs. Curtis-Thomas), I made the decision to respect the privacy of my constituents until such time as they wished to contact me. Following the statement in the House and the report of the Stuart-Smith inquiry, Mrs. McBrien contacted me. She also contacted my hon. Friend the Member for West Lancashire (Mr. Pickthall) as a result of the letter that he sent to individuals who had suffered bereavements in the Hillsborough tragedy. Having recently met Mrs. McBrien, I can only say that the quiet, restrained way in which she put her case to me confirms the deep pain that the event has caused her and her family.

That contact was welcome because it has helped me to understand more about what happened on that day, why it happened and who in my opinion and that of my

colleagues was responsible. It helped to focus my concern on what happened following the incident, what the report said and what should have been done to secure justice for the families of my constituents and of the many others who died that day.

It is clear, from today's debate and the reports of Lord Taylor and Lord Justice Stuart-Smith, that the main cause of the disaster was the failure of police control. That has been accepted on both sides of the House. I was pleased to hear the shadow Home Secretary, the right hon. Member for North-West Cambridgeshire (Sir B. Mawhinney), reaffirm that that was the cause, as have my right hon. Friend the Home Secretary, my hon. Friend the Under-Secretary of State and all hon. Members who have spoken today.

In a statement to the House earlier this year, my right hon. Friend said that Superintendent Duckenfield had lied disgracefully when he said that gate C had been forced open by fans. The behaviour of the police on the day, and in the immediate aftermath of the tragedy, had been appalling, and their failure to act appropriately on the day and afterwards had made them culpable of the charges that have been levelled today by hon. Members on both sides of the House.

A compelling case has been made for a reform of police procedures in discussions that have taken place since Lord Taylor's report, and my hon. Friends have made a compelling case again today. I look forward to the proposals that my right hon. Friend the Home Secretary will make to ensure that police procedures are changed, and that such an incident, and such a response to it, will not happen again.

That the police failed that day is manifest. Lord Taylor's report, and what has been said today, heightens the burning sense of injustice that the failure of the police created in my constituents and others. The police played a major role in the incident, and after the incident, and that has caused concern.

My constituent Mrs. McBrien feels that sense of injustice. I first discussed the issue with her only recently, and I am a latecomer to the debate for the reasons that I have given. Mrs. McBrien has spoken to and corresponded with my hon. Friend the Member for West Lancashire and me following the initiative taken by the north-west group. She has asked me to highlight her particular concerns about the Hillsborough incident. She and her family feel that justice must be seen to be done, and, as the impassioned pleas of my hon. Friends have made clear today, justice has not been seen to be done. In a letter to my hon. Friend the Member for West Lancashire, which she has asked me to bring to the House's attention, Mrs. McBrien expresses her strong belief that criminal offences were committed at Hillsborough involving senior police officers who opened gate C and allowed individuals into the ground by entrances other than the turnstiles that should have been used.

My hon. Friend the Member for Weaver Vale (Mr. Hall) mentioned the police role, and the way in which Chief Superintendent Duckenfield froze on that day. I would be failing in my duty if I did not emphasise what my constituent feels about the actions of the police: she believes that criminal offences were committed. That is a matter for debate, however, and I know that hon. Members have many different views. However, my constituent firmly believes that the actions of police officers in allowing fans into the ground other than through the turnstiles, and the action of Superintendent Marshall in requesting the opening of the gate by Chief Superintendent Duckenfield, contributed to the incident. I place that on record because my constituent feels strongly that those matters should have been examined. In paragraph 228 of his interim report, Lord Taylor disagrees with that view, but even nine years later, my constituent thinks that that was the cause of the incident.

It would be helpful to know why the Director of Public Prosecutions did not prosecute at the time the officers of the South Yorkshire police force. There have been discussions about that, but in view of the speeches by my hon. Friends, it would be helpful to ask again why the DPP did not prosecute. The absence of such an explanation helps to maintain the burning sense of injustice over the fact that nobody has been brought to account for the events at Hillsborough. It would also be helpful for the Minister to look again at the police response on the day. There has been no real recognition that the police played a major role in events, and no real apology by the police, and we need to examine that, to ease my constituent's feeling of injustice.

I listened with interest to the remarks by my hon. Friend the Member for Liverpool, Garston (Maria Eagle) about the police response. I would certainly support requests to look at that matter again, because it had a major impact. I appreciate that it is difficult to take action retrospectively against the police, but it is important to at least re-examine the police role and review any further evidence for the benefit of all those who have suffered.

The Taylor report was fundamentally correct in its approach to Hillsborough. The guilty parties were identified, but the burning sense of injustice will remain until we can explain in detail why people have not been brought to book. It is shameful that there has been no apology by South Yorkshire police that would satisfy my constituents and others, and I am ashamed of the police action in this case. My right hon. Friend the Home Secretary and the Under-Secretary of State, my hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth)—I always think of his constituency as Knowsley, North from the previous Parliament—have been extremely open and helpful in our discussions.

I am not a member of the north-west Labour group of Members of Parliament, but, because of the death of John McBrien at Hillsborough, I was invited by them to take part in delegations and meetings, to press the case for an examination of the concerns that have been expressed today.

I know that the pain of this event will never go away for my constituent and for her family, but I hope that, today at least, we can examine the issues that have been raised, remember those who died with pride and understand the reasons why they died. I hope too that, at some point, we can publicly hold to account the people who are responsible for those deaths.

1.19 pm

Mr. John Greenway (Ryedale): Understandably, this has been a sombre debate. This morning in my constituency, the funeral took place of one of my best friends. If I have to miss the funeral to be in the House, I can think of no better subject to discuss than the crucial issues that arise from what happened at Hillsborough.

[Mr. John Greenway]

Many hon. Members have spoken with deep passion, with feeling and with shared anger about the events of 15 April 1989 at Hillsborough football ground, the home of Sheffield Wednesday football club. That afternoon, I watched those events on my television with shock and disbelief. A number of times in my life, I have had occasion to stand on the terraces at Hillsborough on FA cup semi-final day. Thankfully, when I was there, 96 young people were not killed.

I want to put my remarks in the context of my interests. As the House knows, I am president of York City football club. A few years before this tragic event, we played Liverpool twice in the FA cup at Anfield, its home, where we were made extremely welcome. On the first occasion, we were thrashed by seven goals to nil. On the second, we were robbed of a momentous victory by a very dubious refereeing decision. That year, Liverpool went on to do the double. The fact that the referee on that occasion subsequently became a vice-president of York City FC shows that there are no hard feelings in the world of soccer, and nor are there any in the world of cricket, which I know is the game that you love, Mr. Deputy Speaker.

Born and raised in Cheshire, in the constituency of the hon. Member for Weaver Vale (Mr. Hall), I stood as a young man on the Spion Kop at Liverpool. I agree entirely with what the hon. Member for Knowsley, South (Mr. O'Hara) has said about the exuberance of the Kop and Liverpool fans. At Arsenal, where I have been a lifelong and fanatical fan, I stood shoulder to shoulder with Liverpool supporters, long before we had to have segregation and when going to football was a family occasion. However, throughout the 1970s and 1980s, I viewed with growing concern the extent to which violence and unruly behaviour were creeping into the sport.

I have also experienced many times the deep fright of the crush when fans who are behind on a terrace surge forward in their excitement against a crash barrier or perimeter fencing, and the deep crush outside a stadium before even all-ticket matches, as occurs on FA cup semi-final day, when people think that, as they have a ticket, they can turn up at five minutes to 3 and get in. One of the lessons to be learnt by everyone involved in football or anyone attending matches is that the way in which we conduct ourselves can affect others, and I entirely agree with the hon. Member for Knowsley, South that that is perhaps what lies behind what I regard as the unjustified criticism.

When my party was in government, I think that I was one of only two hon. Members who voted against the Football Spectators Act 1989, and I did so because of a fear of the crush. It was bad enough getting into a stadium at the best of times, but I thought that if we had to go through the rigmarole involved in getting into our offices at No. 7 Millbank or No. 1 Parliament street, chaos would reign. Lord Taylor recommended that that was not sensible. Thankfully, the aspects of that Act that were sensible are on the statute book, and I am delighted that the Home Secretary is seeking to make the best use of them for an event coming up in France in a month or so.

I want to do the House the courtesy of trying to respond to every hon. Member who has participated in this debate. The hon. Member for Liverpool, Garston (Maria Eagle) was the first to raise the concerns of the Hillsborough family support group and to describe the depth of feeling in the community in Liverpool, especially about the police response. I shall refer to that a little later.

My hon. Friend the Member for Hertford and Stortford (Mr. Wells), who apologises for having had to leave for another engagement, mentioned the need for investment in our stadiums. There is no doubt that, although we thought that some of our stadiums were excellent, they were not. There is no better illustration of that than the fact that people interested in football recall that at that time, Hillsborough was regarded as one of our best grounds. If a team in the FA cup semi-final was told that it was going to Hillsborough, it would think that terrific, as it was regarded as one of the best places to watch a football match. That is one of the ironies of what occurred, and it demonstrates the extent to which there was complacency throughout the game about the need for improvement. As we have heard again today, one of the major benefits of the Taylor report was that it ensured those improvements.

The hon. Member for Halton (Mr. Twigg) said that the police were clearly to blame, which has been the feature of this debate. He also questioned the wisdom of blaming Liverpool supporters, and I entirely endorse what he said. He also said something of which I was not aware, namely that there is no memorial to the fans.

Mr. Derek Twigg: There is a memorial at Anfield, and I believe that there is another in one of the parks near the ground, but Sheffield Wednesday has not erected one.

Mr. Greenway: I am grateful to the hon. Gentleman because I was about to say that it was my understanding that there was a memorial. Certainly it is fitting that there should be. The hon. Member for Bassetlaw (Mr. Ashton), who has not attended today's debate, is a director of Sheffield Wednesday football club. I should have thought that the matter should have been considered.

Mr. O'Hara: There is a very fine bronze memorial to the victims—sculpted by Arthur Dooley—in Huyton, too.

Mr. Greenway: I had thought that there was a memorial, but the hon. Member for Halton clearly made the point that, arguably, there should be a memorial at Sheffield Wednesday football club. I suggest that he should raise the matter with the hon. Member for Bassetlaw.

Mr. Twigg: The hon. Gentleman mentioned my comments on blame. In raising the specific matter of Bernard Ingham's comments on drunken Liverpool fans, I was in no way seeking to make a party political point. The point is that, because of his position as press secretary in the previous Government, some credence might have given to his statement by those who do not understand what happened. Will the hon. Gentleman condemn the statement as completely unfounded?

Mr. Greenway: I hold no brief for Mr. Bernard Ingham—

Mr. Straw: Sir.

Mr. Greenway: Sir Bernard Ingham; I am grateful for the Home Secretary's intervention. I hold no such brief.

I have my own view—which I shall express later in my speech—on criticism of the supporters. Perhaps I should say now that I agree entirely with hon. Members who said in this debate that those who died were in no way to blame for their deaths. However, as I said, another facet of the matter is that all of us who attend football matches should appreciate that our conduct can affect others. We should be well aware of that.

The hon. Member for Colchester (Mr. Russell) added to our consensus on the matter on behalf of the Liberal Democrats. He also commended—for which I am grateful—the previous Government's speed in instigating the Taylor inquiry, and the Home Secretary for establishing Lord Justice Stuart-Smith's inquiry. We agree with his comments on those matters.

The hon. Member for Colchester also questioned whether all-seater stadiums were a good idea. We have been around the course on that issue many times. As a regular attender of football matches, at what can be described only as palaces of football, such as Highbury and Old Trafford, and at less salubrious establishments in the second and third divisions—*[Interruption.]* York has a very nice ground. Although some of the grounds that I have visited this season leave much to be desired, I will not name and shame.

My own experience tells me that—with crowds of more than 20,000, and certainly with crowds of 30,000 or 40,000, which have become commonplace in the premier league; Sunderland, in the first division, has had sell-out crowds of 42,000—a return to stadium terracing is inconceivable. However, the sheer cost and impracticality of converting all stadiums in second and third division clubs to an all-seater plan is another matter. It remains to be seen whether York City will visit Colchester in the play-offs next season. As a part of Scarborough is in my constituency, I shall say that I hope that it does not.

Seating arrangements are an important matter. As the hon. Member for Colchester said, it has been nine years since Hillsborough. He also asked whether we are getting any nearer to laying the matter to rest. I do not think that we ever will, or should, lay it to rest. Potentially, such disturbances—although, God forbid, not on the same scale—could happen again. That should motivate each one of us.

Helen Jones (Warrington, North): For the sake of all the people who lost loved ones at Hillsborough, will the hon. Gentleman clarify his remark about disturbances and make it clear today, although he has said so previously, that those who died were not creating a disturbance and were not responsible for their deaths?

Mr. Greenway: I have done so twice and I could not have been more clear in what I said. The people who died were not responsible for their deaths. However, the hon. Lady must accept that in the 1970s and 1980s, and certainly at the time of the tragedy, violence was prevalent at soccer grounds. There has been a great deal of justified criticism of the police. In my view as a football supporter—and as I have said many times before—at many football matches, the police would concentrate on dealing with potential troublemakers to the detriment of crowd safety. That is one of the lessons to be learnt from Hillsborough. I have been in football crowds with people from all walks of life when the police shepherded supporters around, causing danger to individual safety. We need to recognise that and to be alert to that danger.

The hon. Member for Gedling (Mr. Coaker) referred to the trauma and the good will of the people of Nottingham, as Nottingham Forest was the visiting team. His speech demonstrated that we are all part of the football family. The whole of football is still affected by the tragedy.

My hon. Friend the Member for Congleton (Mrs. Winterton) also referred to the good will of other football clubs and the sense of grief that still affects the north-west. She said that in many respects, the tragedy was an accident waiting to happen. That echoes my point that some stadiums were simply not up to the job that they were required to fulfil and could not contain the crowds standing on the terraces. That is undoubtedly one of the major lessons to be learnt from Hillsborough.

My hon. Friend also referred to the fact that a verdict of accidental death did not mean that there was no element of fault. That has been a common theme in the debate. We must ask ourselves to what extent we can improve the conduct of inquests into such huge tragedies. Having read the Taylor report several times, my personal view is that it would have been better for the system to have allowed Lord Justice Taylor to reach a conclusion as to the cause of death and to issue a verdict. That must be a central feature of any change.

The hon. Member for West Lancashire (Mr. Pickthall) referred to the frustration, which many right hon. and hon. Members feel, that they cannot do more in the face of the tragedy and the continuing concern of the families. He referred to the particular difficulty of the Under-Secretary of State. Perhaps this is a good moment to say that as politicians of whichever party, we are often accused of a lack of sincerity. That is not my experience, and that is especially true of the way in which the House has responded to the tragedy over the past nine years.

The hon. Member for West Lancashire was the first hon. Member to refer in detail to the wider interests and concerns that motivate the parents and families of those who died. None of us can ever know what they have felt and still feel, but in pursuit of justice, they are motivated by the desire that such a tragedy should never happen to anyone else. The House should greatly respect that.

The hon. Gentleman also referred to police statements that had been altered and said that there was compelling evidence that police attitudes towards some supporters were not what they should have been. There was a lack of leadership and there was complacency about the dangers. That provokes questions about the adequacy of training and preparation for the policing of large-scale matches at that time. Those are all legitimate matters for the House to be concerned about. As I have already said, it is unacceptable and deplorable that such attitudes exist, but they result from concentrating too much on dealing with potential disorder and not paying sufficient regard to the safety of people visiting football grounds. The hon. Gentleman concluded by saying that all that underlined that the police were chiefly to blame and that there was, therefore, no ground for a fresh inquiry.

The hon. Member for Knowsley, South spoke with considerable feeling about those who sought to apportion some blame to the behaviour of some supporters. As he rightly pointed out, alcohol was not a contributory factor in the deaths of the victims. I say again that those who died arrived early, not late, and were in their place, which is what we used to do as kids and as teenagers. My parents would say, "Yes, John, you can go to the game, but we

[Mr. Greenway]

want you to be there at half-past 1. We want you to be in front of one of the crash barriers so that you'll be safe." The reality, of course, was that the ones who came early paid the price.

The hon. Gentleman spoke with great feeling about the fact that what irks people in Liverpool is that no one has been held to account. That makes it even more difficult for families to come to terms with the enormity of the tragedy. He questioned whether some officers still in post might be held be responsible. I say in reply that the evidence has already been exhaustively and extensively scrutinised. We would all say that if there were fresh evidence, it should be examined, but that is different from saying that there should be another inquiry.

The hon. Member for Liverpool, Riverside (Mrs. Ellman) talked about the families' anger at the coroner's verdict and the failure to discipline the two senior police officers who were responsible for policing the game. She welcomed the proposed changes in police discipline procedures and the conduct of inquests following major public tragedies such as Hillsborough, and the improvements in ground safety.

There is all-party consensus on those matters. The review of inquests began during the last year or so of the previous Government. I am sure that there will be constructive consensus when the legislation on that and on police discipline matters comes before the House. The Home Secretary referred to the Home Affairs Committee report on police discipline. While I served on the Select Committee, we once looked in depth at police sickness, and commented on the unacceptability of the sick-note evasion of police discipline. There is consensus throughout the House on the need to put that right.

The hon. Member for Crosby (Mrs. Curtis-Thomas) spoke of the eight families in her constituency. I recall sometimes talking to her predecessor about the problems. I was very struck by the fact that four of the families had chosen silence, perhaps because of the need to move on or a sense of disempowerment. We should take note of that message, the day after an appalling turnout in local elections. Increasingly, people seem to feel that they cannot make a difference to anything, which increases pressure on hon. Members to respond—as we do—to their concerns.

The people involved in this matter are not an amorphous group. The hon. Member for Crosby was the first in the debate to ask whether individual cases could be reopened. That is different from asking for another public inquiry, and I am sure that the Home Secretary will want to consider that.

The hon. Member for St. Helens, North (Mr. Watts) spoke movingly of a friend of his who died at the match, and talked about the fact that none of the victims had contributed to their own death. He supported the changes to police discipline, but questioned why the chief constable was not held accountable. That is an important question. It seems to me that complacency was endemic, and that the policing of football was about combating hooliganism, to the detriment of crowd safety. I suspect that chief constables throughout the land might well consider what happened and say to themselves, "There but for the grace of God go I," because, as my hon. Friend the Member for Congleton said, a similar tragedy might have happened elsewhere.

The hon. Member for Bootle (Mr. Benton) argued passionately for a new inquiry and said that the victims would willingly accept that—but where is the evidence to support the view that a new inquiry would produce different conclusions?

The hon. Member for Ellesmere Port and Neston (Mr. Miller) criticised the coroners court system and the inflexibility of a range of verdicts, and said that the accidental death verdict did not do justice to many instances of tragic death where there was obviously some culpability. We agree with him about that, and I believe that the House can move on to make changes so that that becomes a thing of the past. He also said that we could not turn back the clock. The House must face up to its responsibilities in that regard. We are doing so, and those responsibilities do not end in half an hour when the debate concludes.

The hon. Member for Weaver Vale—understandably, I keep wanting to call him the hon. Member for Northwich—again showed the extent of the Liverpool influence throughout the north-west. As a teenager, I once had a milk round with a fanatical Liverpool supporter, and I was aware of the passion, exuberance and good will that people displayed towards such big clubs.

I believe that only the hon. Member for Weaver Vale mentioned the payment of compensation to police officers. Undoubtedly, the Hillsborough incident left scars in the minds of all who were present, in whatever way they were involved. There is a danger of branding by group and of stereotyping, which I believe lies behind some of the anger that was expressed in newspaper reports—the hon. Member for Knowsley, South mentioned *The Sun*. The constables and sergeants who were there doing their best—some of them women—were not to blame. The inquiries blamed the chief superintendent and his colleague, not the individual officers.

The hon. Member for Delyn (Mr. Hanson) drew attention to the concern of his constituents and said that the chief cause was the failure of police control. He asked why the Director of Public Prosecutions did not prosecute. I understand why that question is raised, but we have to make judgments and trust the judgments of the people whom we put in place. The office of the DPP is always, as are all chief Crown prosecutors, in a difficult position. It has to make balanced judgments about these matters and we have to trust its judgment in the end. There is nothing in the inquiries or in Lord Justice Stuart-Smith's report that leads me to believe that the DPP made a misjudgment.

My right hon. Friend the Member for North-West Cambridgeshire (Sir B. Mawhinney) asked the Minister who will reply to respond to three questions. I shall briefly remind him of them. They all come from the press release and questions put out by the Hillsborough family support group. In the judge's interpretation of the terms of reference and the way in which his scrutiny was carried out, were the goalposts moved? Questions as to whether all the police statements were available may have become more clear as the debate has progressed. Was it right that South Yorkshire police were given a copy of the scrutiny report some days in advance? I am sure that the Minister, for whom I have high regard, will answer all those questions.

To draw my thoughts to a conclusion, we all have to accept that the standing of politicians in the public eye is worryingly low, but I believe that we have seen today the House of Commons at its best. The people of Liverpool can be proud of the way in which their Members of Parliament have represented them today. We are often urged to co-operate more and we will co-operate on the proposed legislation in respect of inquests and police discipline, and we will continue to co-operate on the policing of football. The Opposition find that we are also often accused of not opposing enough. I see nothing in this matter that suggests that we should oppose for the sake of opposing. In reaching that conclusion, I want people outside the House who are paying great attention to our debate to understand that we do not seek to brush aside the serious questions that have been raised.

As for another inquiry, I agree with the Home Secretary that the reluctant conclusion, indeed the only conclusion, is that no new inquiry is justified or likely to reveal anything of substance. As Lord Justice Stuart-Smith said, compassion must not cloud our judgment. The debate has shown that there are some irreconcilable differences between the families of those who died and those responsible for looking into and dealing with what happened on that dreadful day. Some have even questioned why we should have this debate, but not to do so would be contemptuous of the victims and their families, and complacent about the problems that we still face in relation to football.

There remains, sadly, an undercurrent of violence, disorder and hooliganism, even though the improvements have been vast and many of our grounds are now safe. What happened at Gillingham only a few weeks ago reminds us of the seriousness of the problems that remain.

So what can we conclude? We conclude that, on 15 April 1989, we witnessed the tragic waste of 96 young lives. We owe it to them to pursue the issues until all the lessons of what occurred have been learnt and understood. I am doubtful whether another inquiry would add to what we know already, but there may be a case to pursue some individual matters. Above all, we owe it to those who died to ensure that this never happens again.

The truth is that we know in our hearts that other tragedies can and may occur, but that very admission—that safety can never be guaranteed—should motivate everyone in the House to continue to seek improvements to all areas of policy on which the Hillsborough tragedy touched. If ever we can draw a line under Hillsborough, we can never draw a line under our responsibility to strive always to do better.

1.55 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): Much of the detail arising out of Lord Justice Stuart-Smith's scrutiny report and the Taylor inquiry has been dealt with by my right hon. Friend the Home Secretary and others, and I do not intend to cover ground that has already been covered so thoroughly.

However, I need to respond to a few particular points made during the debate. First, I shall respond to my hon. Friend the Member for Bootle (Mr. Benton). That is not a parliamentary nicety—he and I are close friends. Characteristically, he spoke from the heart; he is incapable of anything else, because he is such a decent and honourable man. He asked how we squared the logic of the law with the feelings in people's hearts. It does not necessarily answer his question, but I thought that a line from Pascal says something about it:

"The heart has its reasons which reason knows nothing of."

That may be helpful, but it does not get us to the end of the debate.

My hon. Friend the Member for St. Helens, North (Mr. Watts) referred to secrecy in terms of the way in which some within the criminal justice system act. We should give it a name—my hon. Friend was referring to the activities of freemasons. My right hon. Friend the Home Secretary has made it clear that we believe that there is no place within the criminal justice system for secrecy. What is done should be done in the open, and should always be open to scrutiny. I have seen no evidence linking freemasonry to Hillsborough, but I ask the House to accept that we are not prepared to allow the criminal justice system to be used in that way.

My hon. Friend the Member for West Lancashire (Mr. Pickthall) and the hon. Member for Ryedale (Mr. Greenway) asked whether there was a proper tribute by the club at Hillsborough. The hon. Member for Ryedale mentioned my hon. Friend the Member for Bassetlaw (Mr. Ashton). I am not sure what his position is in all of this; I know that my hon. Friend is a director of Sheffield Wednesday. There have been discussions between representatives of the families and the club, which have been inconclusive. I urge those concerned to recognise the horrendous events which occurred on that day by some sort of tribute that would be considered appropriate by the families and those who care about the matter.

The question of statements was raised by my hon. Friends the Members for Liverpool, Garston (Maria Eagle) and for Halton (Mr. Twigg), and it needs to be examined more fully. Until questions were raised last week, I understood that all the necessary information was available either in the House of Commons Library or elsewhere. When my hon. Friend the Member for Halton raised the matter with me a week or so ago, I took the trouble to find out whether all the boxes had been placed in the Library. As I understand it, they now have been. We have asked Home Office officials to check whether there are any gaps in that information, or in the information that has been provided to others. If people are missing information that they should rightly have, it will be sent to them.

Our attitude to the disclosure of documents has been simple. We believe that anything relevant or material—anything that throws any light on to any of the events of that day—should be made available unless someone can demonstrate a very good reason why it should not be, although I have not so far come across such a case. I hope that access will be provided to everything that is required.

The hon. Member for Colchester (Mr. Russell) asked whether the Home Secretary had met the families and whether he had plans to do so in the future. To my certain knowledge, my right hon. Friend has met them at least three times, and there is an outstanding invitation to them for another meeting. He properly believes that they should be kept informed and that he should hear what they have to say as often as is necessary.

A number of hon. Members, including the right hon. Member for North-West Cambridgeshire (Sir B. Mawhinney), have contributed thoughtfully and

[Mr. George Howarth]

respectfully to the debate. I hope that I have been able to deal with some of their concerns, but there are other matters that need to be expressed and put on the record.

When I entered the House this morning, I was handed a list of 20 questions prepared by the Hillsborough family support group. That was the first time that I saw the questions—I do not say that critically, as I know that it was difficult to put all the information together. Some of the questions may have been covered by hon. Members, and some I shall try to deal with now. I give an undertaking that we shall write to the families about any of the questions that have not been covered, so that they know our exact position on all 20 points.

When we talk of the Hillsborough tragedy, I am acutely aware that we are, in fact, dealing with 96 individual and very personal tragedies. We refer to the Hillsborough families, but we are dealing with many individuals, some of whom I know personally, whose lives have been changed for ever. People whose lives were changed because they were at that game have kept me informed about how they feel not only about what happened that day, but about how matters are developing. I mention two of my close friends: John King, who lives in Kirkby in my constituency, and Mike Murphy, my agent, who was there on that day and has views on what happened.

Many of the families have been helped by the support that they have been able to give one other, whereas others have chosen to cope with their grief in different ways. As a Merseyside Member who was brought up locally—indeed, as a youth, I stood on the Kop and watched Liverpool—I share the deep sense of frustration that nobody has been held to account for what happened.

Ninety-six people on that day went to watch a football match and never came home. All those who died had had a future when they left home. Some were too young to have a clear picture of what that future might be, and others had family responsibilities and commitments. All of them had fresh experiences ahead of them—love, joy, disappointment, success and, yes, the fear of failure and rejection. They had a life ahead of them. Whatever those people's potential—for happiness, a career and fulfilment—it was cut short, and that terrible truth still affects us all, although those of us who did not lose a loved one can never come close to knowing how those who did have been affected. We simply do not have the words to describe how they feel or the imagination to feel as they do.

That inability to feel or describe adequately has created problems for us and has often hurt those who were left behind. Sometimes, because we are unable to express things properly, we do so clumsily and, although our clumsiness is unintentional, it causes pain and anguish. If my own inadequacy to express my feelings and to explain events has on occasions hurt people, I here and now apologise for that, but I hope that people will come to accept that such inadequacies of expression do not apply when it comes to matters of judgment and good faith.

Some of what has been said—by certain police officers, by some sections of the media and, as my hon. Friend the Member for Halton said, by Bernard Ingham—has profoundly scarred the survivors and the families of those who died. In other ways, the system failed to provide adequate means for blame to be seen to be apportioned and, equally importantly, for injustices to be remedied. I think that those matters require us to respond, not only by ensuring that practices and procedures are properly reformed in the manner described by my right hon. Friend, but by putting into words the consequences for those left behind as a result of the failures.

As many hon. Members have said, the reasons why those 96 people died had nothing to do with where they came from or who they were. The fact that they came from Liverpool, or were football fans, had nothing to do with their deaths other than the fact that their team happened to be playing at that stadium on that day. It was not their behaviour or their alcohol intake that caused the tragedy, and nobody should be left in any doubt about that simple truth. If anyone questions it, they should read both the Taylor report and the Stuart-Smith review. If they do so, they will not be left in any doubt that one organisation, above all, was responsible: the South Yorkshire police.

We need to go still further. Stereotypes, as the hon. Member for Ryedale said, about people from Liverpool and about football fans are every bit as offensive as stereotypes about ethnic minorities, women or anyone else. Football fans, from Liverpool or from anywhere else, now as then, are like any other group in society: most are normal people, trying to get on with their lives as best they can, and all they seek is to enjoy a sport that in many cases arouses their loyalty and passion. We should not confuse their loyalty and passion with an in-built tendency to behave badly to the extent that they endanger their own and others' lives. They do not do that.

My hon. Friend the Member for Knowsley, South (Mr. O'Hara) spoke about disciplinary action and what should have happened to the police. If we could turn the clock back and behave differently, if there were a different set of disciplinary procedures, and if we were not signatories to the European convention on human rights, perhaps matters could have been conducted differently, and we would all wish that that could have been the case. All the advice, however—I am not enough of a lawyer to be able to counter it—is that the clock cannot be turned back, and those things that we all feel should have been done at the time cannot be done all these years later.

Mr. O'Hara: I recognise what my hon. Friend has just said but, on my more substantive point, if there is indeed proof, as has been suggested most notably by my hon. Friend the Member for Liverpool, Garston (Maria Eagle), that there has been a systematic cover-up from that day to this and that people are still in post or available to be proceeded against, they should not be allowed to get away with it.

Mr. Howarth: My hon. Friend draws our attention to an important point. Lord Justice Stuart-Smith makes it clear that there was an attempt to cover up what happened, but the truth of the matter is that the information that various people might have tried to suppress is out in the open and, even so, the advice is still the same.

Another aspect, which will not help in this case but is nevertheless important, is that of corporate manslaughter—it could apply to the inquest system or equally in the context that my hon. Friend just mentioned. Could a body, or someone who headed it, be held responsible for what happened? The Law Commission,

in its report on involuntary manslaughter, made recommendations about an offence of corporate manslaughter and my right hon. Friend the Home Secretary is considering those and actively considering whether we should proceed with that.

Again, such a charge could not be applied retrospectively. My hon. Friend has followed European matters closely for a number of years and knows that, as a signatory to the European convention on human rights, we simply cannot deliver the law retrospectively. However, if anything like Hillsborough were ever to happen again, I hope that we would have in place the legal tools to deal with it in a better way than it was dealt with.

Mr. Miller: My hon. Friend mentioned the Law Commission report, to which I also referred and said that our right hon. Friend the Home Secretary is studying the possibility of corporate offences. Is he examining all the recommendations in the report and is primary legislation likely to result?

Mr. Howarth: My right hon. Friend the Home Secretary is examining all the recommendations and tells me that he hopes that something may be done as a result.

My hon. Friend the Member for Ellesmere Port and Neston (Mr. Miller) mentioned coroners' inquests and spoke with some experience in other contexts about the matter. Indeed, the inadequacy of the coroner system and most particularly the coroner's procedures, has had particularly lasting and deeply corrosive consequences for many of the Hillsborough families. Frankly, some of those will not be eased by our promise to reform the procedures for the future, although that is welcome and important.

Something burns on in people's souls. I know that there are no legal means available to remedy that deep and infuriating anger, but those feelings should be expressed in this Chamber today. The coroner's inquest evidently left some people feeling hurt, degraded and confused and no amount of explanation about the purposes of an inquest will take away those feelings.

I attended a day of that long ordeal, as it became for the families, at the request of two of my constituents, Mr. and Mrs. Joynes. Even on such an admittedly brief visit, I was filled with horror—a feeling that, instead of the inquest being a vehicle for establishing the cause of death, it had turned into an occasion when the lives of those who died, the way they had lived and how they might have behaved, were on trial. What happened at that inquest cannot now be undone, but we have to understand just how much that process itself caused bitterness, disillusion, pain and even, in some cases, rage. Whatever else Jimmy McGovern's Granada Television programme did or did not do, it portrayed that inquest in a way that squares with my own feelings and I say that as someone who spent some time there. I believe that the families who had to endure much more of it than I did feel the same way.

Several of my hon. Friends have referred to the verdict and the question of whether the word "accident" should be used. The legal explanation is given in Lord Justice Stuart-Smith's scrutiny of evidence, and I do not intend to go over it again. Nevertheless, it is important to acknowledge that the word "accident" is not applicable to people who voluntarily go to an event and have no specific responsibility, as others are responsible for safety at the ground. Although the legal verdict is adequately explained by Lord Justice Stuart-Smith, the use of the word "accident" still causes hurt and confusion.

Another source of hurt and confusion arising from the inquest will endure: the 3.15 cut-off point. Lord Stuart-Smith describes and explains very well its legal significance in the coroner's procedures, and I shall not add to that explanation. However, perhaps inevitably, he could not capture the strong sense of confusion and the corrosive anger that many people feel about the 3.15 cut-off point. It is almost as if events after 3.15 were considered of no significance. The fact that people continued to suffer and that some of the emergency services could have been allowed into the ground sooner seemed to some of those who attended the inquest to have been put to one side. That anger and confusion is felt by some of the survivors just as keenly today as it was then.

Something else needs to be said here today even though it has been said before. People died after 3:15—those people suffered God knows what panic, pain and desperation. That that was not considered relevant for the purposes of the inquest should not be allowed to diminish the truth of what actually happened. Even though the legal facts are established, it is important that we acknowledge here and now that many people will never accept that. They feel that, as events unfolded, the emergency services might have been able to save some of the lives that were lost. We cannot ignore the fact that events took place after 3.15.

The feelings of frustration that have grown out of what happened on that day at Hillsborough have not gone away, and, as the hon. Member for Ryedale said, they probably never will. Mrs. Joynes, my constituent, said to me in her house a week ago that all we have to offer is words. I know in my heart and mind that she is right.

I hope that, in stating part of the truth about what happened, I have at least expressed some of what people wanted said. If I cannot do more it is not because I am bound and gagged as a Minister in the Home Office: if I felt that that was holding me back, I would not allow it to do so.

We must all face up to the awful truth that the procedures that people understandably feel deprived them of justice have already been carried out. What has been done cannot be undone: we can only change them for the future. Sadly, I suspect that the families' own lawyers will tell them the same: we cannot turn back the clock.

If I felt that my right hon. Friend and I could do more—by more, I do not mean empty gestures or more words that promise much and deliver nothing—we should gladly do so as a debt of honour to those who died and, just as importantly, for the peace of mind of those who survived. If we cannot change the past, at least we can make things better in the future. As my right hon. Friend said, police disciplinary procedures will be changed. Never again will any family have to go through such horrendous coroner's procedures—God forbid that similar circumstances should arise. Perhaps the greatest testament of all is that never again will we accept second-best safety standards for football fans. That is an abiding achievement, and we should reflect on what has been achieved, as well as on people's feelings. I hope that people will feel a little better

[Mr. Howarth]

after what has been said today, even if their hopes have not been wholly fulfilled. I am glad to have taken part in the debate.

Mr. Jim Dowd (Lord Commissioner to the Treasury): I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

AGENDA 2000: REFORM OF THE COMMON AGRICULTURAL POLICY

Ordered,

That European Community Document No. 7073/98, relating to Agenda 2000: Reform of the Common Agricultural Policy, shall not stand referred to European Standing Committee A.—*[Mr. Dowd.]*

DELEGATED LEGISLATION

Ordered,

That the Motor Vehicles (Approval) (Amendment) Regulations 1998 (S.I., 1998, No. 1008) be referred to a Standing Committee on Delegated Legislation.—*[Mr. Dowd.]*

ADJOURNMENT (WHITSUN)

Motion made, and Question put forthwith, pursuant to Standing Order No. 25 (Periodic Adjournments),

That this House, at its rising on Thursday 21st May, do adjourn till Monday 1st June.—*[Mr. Dowd.]*

Question agreed to.

LATE PAYMENT OF COMMERCIAL DEBTS (INTEREST) BILL [*LORDS*]

Ordered,

That, during the proceedings on the Late Payment of Commercial Debts (Interest) Bill *[Lords]*, the Standing Committee on the Bill shall have leave to sit twice on the first day on which it shall meet.—*[Mr. Dowd.]*

Capital Gains Tax

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Dowd.]*

2.20 pm

Mr. Desmond Swayne (New Forest, West): On 17 April, my constituent Mr. Conway wrote asking me to make representations on his behalf and that of others in a similar situation. He is 60, and his wife is 59. They run Candlesticks restaurant in Ringwood, where they employ about 10 people. They have run the business for 16 years, and have nursed it through two recessions. Mr. Conway and his wife plan to retire when he is 65, in 2003.

Like most small business people, the Conways do not have a pension plan in the sense that most of us would understand. As with many small business people, most of their savings are tied up in the business. In effect, the business is their pension plan. By selling it in 2003, they hope to gain enough capital to generate a modest income for their retirement.

Mr. and Mrs. Conway will also have to find somewhere to live. Again like many small business people who live over the shop, their principal asset is the premises from which their business is transacted, in which they also live. The capital gain that they hope to make by selling the business will have to generate not only an income for their retirement, but a capital sum that will allow them to buy somewhere else to live.

Existing tax arrangements are pretty favourable to people such as Mr. and Mrs. Conway. They hope to be able to realise a capital gain of some £250,000 in 2003, and existing arrangements would allow them to have that free of tax. For anyone over 50 who makes such a capital gain, the first £250,000 is tax free, and the next £750,000 is taxed at half the standard rate. Only when a business realises a capital gain in excess of £1 million does the full 40 per cent. rate apply.

Mr. and Mrs. Conway made their retirement plans on the basis of that known and predictable information. It is therefore a matter of some dismay to them that the rug may be pulled from under their feet—that the assumptions on which their plans were made may be swept away by proposals to change the basis on which capital gains tax is assessed. Under those proposals, if Mr. Conway put into effect his plan to retire in 2003, and achieved the £250,000 capital gain for which he hopes, he would be liable for a staggering £55,000 in tax.

Consequent on a decision to change the basis upon which capital gains tax is paid and to charge a flat rate, some people will benefit. Unfortunately, my constituent will not. To benefit from the new 10 per cent. rate that is a feature of the new proposals, he would have to retain his asset for a further 10 years. No credit is given for the fact that he has been running his business for the past 16 years. If he wanted to benefit from the new 10 per cent. rate and to cut his tax bill in 2003 from £55,000 to £25,000, which is still a staggering sum bearing it in mind that he would pay nothing under the existing arrangements, he would have to put off his retirement for a further five years, until 2008. It is most undesirable that business men and women who have made their plans should suddenly find themselves in that situation.

I have described the predicament of a restaurateur, but many small businesses will be affected. Given the rural nature of my constituency, it is not surprising that the

National Farmers Union has contacted me to register its concern about the effect on farmers. What are people to do? They have a choice. They can reconcile themselves to much reduced circumstances in retirement or they can rush out and sell their businesses now. That is a most unattractive proposition because, as a result of the new regulations, people will be forced to make sales precipitately and the market will be flooded. In addition, many people will be tied into medium-term business plans and will be unable to sell. The proposals may cause a rush of such sales, bringing about the very short-termism that the Chancellor is determined to stamp out.

I understand that it would not be in order for me to specify legislative remedies and I would not attempt to do that, but the existing arrangements seem satisfactory and would relieve my constituents of the problem. If the Chancellor persists with his proposals he will receive advice from the Forum of Private Business, the National Farmers Union, the Chartered Institute of Taxation, *The Mail on Sunday* and many others on how to implement the proposals while ameliorating the impact on constituents such as mine.

I have drawn attention to the impact of the problem on my constituents, but I have a wider concern. The changes could be greatly regretted and there is the prospect of a significant transfer of income from the modestly-off to the wealthy. Under the proposals, anyone who makes a capital gain of £500,000 or less stands to be much worse off after the changes while those making a capital gain in excess of £500,000 will be significantly better off. The greater the capital gain, the better off people will be. That is extraordinary, given that the proposal comes from a party that spent 18 years in opposition complaining about the inequitable distribution of income and about how the poor were becoming poorer and the rich were growing richer. I never shared Labour's analysis: I did not believe that the poor were becoming poorer and the rich were growing richer, but these proposals might take us some way down that road.

When Mr. Conway, my constituent, came to see me at my surgery in New Milton, he said that he could not believe that the Government were seeking to penalise him in this way. He said that he believed that it must have been a mistake, an oversight or a question of officials having drawn up proposals that were not fully thought through. I hope that the Paymaster General will say that this is a listening Government and that they will take away the problem to which I have drawn attention and return with redress.

2.29 pm

The Paymaster General (Mr. Geoffrey Robinson): May I first make it clear to you, Mr. Deputy Speaker, to the House and to the hon. Member for New Forest, West (Mr. Swayne) that I am not the Minister who is responsible for these matters. Unfortunately, or, in some sense, fortunately, the Financial Secretary to the Treasury is in Brussels—

It being half-past Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Dowd.]*

Mr. Robinson: I was extending apologies on behalf of the Financial Secretary to the hon. Gentleman. She is attending the first meeting of the European Union code of conduct group, in which I am sure the hon. Member has a considerable interest as well. I am sure, too, that he and the whole House will be interested to know that she has been elected chairman of that group and would like to congratulate her—as I congratulate the hon. Gentleman who has secured this debate and spoken with good skill, eloquence and feeling on behalf of his constituents.

I do not think that I can fully meet the hon. Gentleman's wishes, but he has aired the issue and he will be aware that the Financial Secretary will respond during the Standing Committee debates on the Finance Bill. I am not sure whether he is a member of that Committee, but it presents a further opportunity for him directly—or indirectly, through his colleagues—to press for the amendments that he has in mind.

I want to explain why we have decided to phase out retirement relief as part of the general reform of capital gains tax. To put this matter in its proper context, however, I first need to explain what the reform is about.

As the Financial Secretary explained on 29 April in the Committee debate on clause 119 of the Finance Bill, the Chancellor's Budget was designed to secure economic stability, encourage work, promote enterprise and create a fairer tax system. The key to attaining those objectives is the success of UK businesses. Providing the right fiscal framework for businesses to invest and grow is crucial to that success. The capital gains tax reform that was introduced in this year's Budget is designed with that objective in mind. At the heart of the reform is the introduction of the new taper relief, which from April this year replaces indexation relief.

I remind the House what the proposed new taper does. It reduces the percentage of gain chargeable to capital gains tax the longer an asset is held. The amount of the reduction depends on whether the asset disposed of is a business or a non-business asset. If the asset is a non-business asset, the taper reduces the gain by 5 per cent. for each year it has been held after three years. The maximum relief is obtained when the asset has been held for 10 years or more, when 60 per cent. of the gain remains chargeable.

The taper for business assets is more generous. It reduces the gain by 7.5 per cent. for each year after the first year. When the asset has been held for 10 years or more, only 25 per cent. of the gain will be chargeable. That means an equivalent tax rate of only 10 per cent. for the higher-rate taxpayer. The hon. Gentleman got all his figures right.

Business assets are broadly defined as those that have been used in a trade and shareholdings in a trading company in which the investor has a substantial interest. The present retirement relief is more restricted than the new taper relief: it depends on those selling being over 50 or retiring on ill-health grounds; it is subject to a lifetime limit; and there has to be a sale of the whole or part of the business, or the sale of assets within a period of the trade ceasing. All those are serious restrictions, which I urge the hon. Gentleman to consider in the round as well as in relation to the particular case of which he has spoken.

Unless those conditions are met, no relief is due. There is no relief for substantial holdings where the investor is not a full-time employee. The conditions for relief are complex and many disposals by people over 50 fail to

[Mr. Robinson]

qualify for relief. The relief gives rise to much litigation and high compliance costs. Retirement relief can all too often be selective and capricious.

The new business taper has none of those restrictions or complexities: it will be available to all businesses; the owner may be of any age; there is no lifetime limit; and there is no requirement that the business itself needs to be disposed of. The definition of a business asset is broader than that which applies to retirement relief and, unlike retirement relief, taper relief will be given for the appropriate period for which the relevant conditions have been satisfied, even though the conditions may not be satisfied at the time of the disposal.

Mr. Swayne: Why does 1998 have to be the year zero? Why can no credit be given for the fact that my constituent has held the assets and been running the business for 16 years?

Mr. Robinson: This year was the logical point from which to start. There may be a problem in the particular case to which the hon. Gentleman refers, but it would simply have been postponed. We are now giving an unprecedented five years for transition, which is a long time in the circumstances. If the hon. Gentleman thinks about it in the round, and if he or his constituent take further advice, he will appreciate that the five years will allow most businesses satisfactorily to reorganise their arrangements.

I might summarise the comparison of the two reliefs by saying that retirement relief is in many ways subjective, depending a great deal on the circumstances of the investor, whereas taper relief is a wholly objective relief, depending purely on the nature and length of holding of the investment.

The taper will be a positive encouragement for all small and medium businesses to invest for the longer term and it will provide a real incentive for all businesses to grow. Again, I ask the hon. Gentleman to think about that. The idea is to encourage growth and development. We are unashamedly in favour of those who can create big businesses and wealth coming within the new business taper. Taper relief, by contrast with retirement relief, is wide ranging and certain.

Removing retirement relief will also make capital gains tax fairer. We do not think it right that people with substantial gains should pay no tax at all. I say that quite frankly. We do not see the logic, fairness or correctness of that arrangement; it is simply not fair to the vast majority of taxpayers who do not have capital gains. This move is wholly consistent with other changes we are making to the CGT rules, all of which are designed to lead to a fairer system.

The sooner we can move to the new system, free of any special exemption, the sooner the benefits of the new system will fully emerge. That argues for withdrawing retirement relief as rapidly as possible. We have resisted that, and rightly. In fact, we have gone for a full five years because we recognise that people close to retirement will have been expecting a measure of exemption on their gains. For that reason, and to give those people time to plan and adapt to the revised circumstances, the Government have decided to phase out the relief over a period of five years, with no reduction in the present limits for the first year. I think that the hon. Gentleman took that point on board.

It has been suggested that the phase-out ought to be longer. Some have suggested 10 years rather than five to match the period over which the taper builds up to full benefit. We believe five years is very reasonable in all the circumstances.

With the one-year addition for assets held at Budget day, the taper will already provide a substantial reduction in the gain chargeable if the sale takes place around 2003, the time retirement relief is withdrawn.

Also, phasing out the relief over a 10-year rather than a five-year period would only delay further the very real benefits that the taper provides for all businesses. If the capital gains tax changes are to remain revenue neutral, the cost of continuing retirement relief for the extra period would have to be met by reducing the benefits of the taper during the phase-out period. Other taxpayers, including businesses, would suffer as a result. We do not think that that is right, and it is certainly not in the wider interests of British business. It would also leave a complex tax relief in the system for that much longer. If nothing else, retirement relief is extremely complex.

For those reasons, we believe that a five-year phase-out strikes the right balance between equity, complexity and the need to encourage entrepreneurship.

The Government's view is that the capital gains system is badly in need of reform. The current system fails to provide a sufficiently strong incentive for entrepreneurs to build up their businesses. The measures introduced in the Budget will do just that. The taper is a fundamental part of reform, providing a real incentive for investment and business growth. Retirement relief, by comparison, is too narrowly focused and fails to match up to those claims.

Question put and agreed to.

Adjourned accordingly at twenty-one minutes to Three o'clock.

Written Answers to Questions

Monday 27 April 1998

CULTURE, MEDIA AND SPORT

New Opportunities Fund

Mr. Linton: To ask the Secretary of State for Culture, Media and Sport if he will give estimates of the cash allocations for each of the New Opportunities Fund's initiatives for England, Scotland, Wales and Northern Ireland, according to the methodologies announced at Second Reading of the National Lottery Bill in the House of Lords; and if he will make a statement. [40120]

Mr. Chris Smith: I have today published preliminary drafts of Policy Directions which I intend to give to the New Opportunities Fund. Copies have been placed in the Library. These set out the proportion of money from that fund to be allocated between each of the four countries of the UK for each of its first initiatives. The National Lottery is proving more successful and raising more money than anyone anticipated. I am determined that this extra money should be spent on projects which bring wider benefits to more people across the whole of the UK.

I have decided that the money from the New Opportunities Fund should be allocated between each of the four countries of the UK on a basis appropriate to each of the different initiatives it will support. So: the £300 million for healthy living centres will be allocated on the basis of population size, weighted by deprivation factors; the £400 million for out of school hours activities will also be allocated on the basis of population size, weighted by deprivation factors; the £250 million for information and communications technology training for teachers and librarians will be divided by the number of teachers and librarians in each country.Decisions have not yet been taken on the allocation of the £50 million for content creation.

The Lottery is played by the majority of adults across the UK and I want to ensure that as far as possible every area benefits from the money it raises for good causes.

Current estimates of what this will mean in cash terms for the next five years are shown in the table.

£ million

NOF initiative	*England*	*Scotland*	*Wales*	*N. Ireland*	*Unallocated*	*Total*
Healthy living centres	232.5	34.5	19.5	13.5	—	300
ICT training and content creation	199.4	25.6	13.6	11.4	50	300
of which:						
Teacher training	183.3	23.2	12.7	10.8	—	230
Librarian training	16.1	2.4	0.9	0.6	—	20
Content creation	—	—	—	—	50	50
Out of school hours activities	310	46	26	18	—	400
of which:						
Learning activities	139.5	20.7	11.7	8.1	—	180
Childcare	155	23	13	9	—	200
Integrated childcare and learning	15.5	2.3	1.3	0.9	—	20
Total	741.9	106.1	59.1	42.9	50	1,000

Mr. Linton: To ask the Secretary of State for Culture, Media and Sport if he will publish drafts of policy directions which he intends to give to the New Opportunities Fund under Section 26(1) of the National Lottery etc. Act 1993 and Section 43C(1), to be inserted into the 1993 Act by the National Lottery Bill [*Lords*]. [40121]

Mr. Chris Smith: I am publishing today preliminary drafts of the Policy Directions for the New Opportunities Fund, with accompanying explanatory notes. As drafts, these will, of course, be subject to further refinement and consultation with the Board of the New Opportunities Fund when it is established, before they are formally issued.

The Directions will ensure the New Opportunities Fund will deliver the objectives of the three initiatives set out in the White Paper (health, education and the environment) and overwhelmingly supported in the subsequent consultation exercise; set up a framework for the New Opportunities Fund's operation as an efficient, accountable, independent public body like the other Lottery distributors; require the New Opportunities Fund, like other distributors, to take account of important government policies and strategies relevant to its work.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Waste Recycling

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions what action he is taking to help local authorities to meet the waste recycling targets of *(a)* 60 per cent. reduction of wastes going to landfill by 2005, *(b)* recovery of 40 per cent. of municipal waste by 2005, *(c)* 25 per cent. household waste recycled by 2000 and *(d)* 75 per cent. of local authorities actively promoting composting by 2000. [38616]

Angela Eagle: Our prime aim is to move waste management up the waste hierarchy—reduction, re-use, recovery (which includes composting, recycling and energy from waste), and finally disposal—having regard to the Best Practicable Environmental Option (BPEO). On the national targets mentioned by the hon. Gentleman, we have taken the actions set out below.

(a) The target in the previous Government's White Paper "Making Waste Work" is to reduce the proportion of controlled waste going to landfill to 60 per cent. by 2005. The landfill tax is the main tool we have for reducing the amount of waste going to landfill and the increase in the standard rate of tax (for active waste) from £7 to £10 per tonne, which takes effect from April 1999, will build on the reduction that has already taken place since the introduction of the tax. The same proportion—20 per cent.—of additional revenue generated by this increase will be available for distribution to environmental bodies as is the case for funds under the current scheme. The Government will also be considering whether the environmental bodies scheme could be enhanced, and in particular examining how it could be used to encourage more recycling.

Under the United Kingdom's presidency of the European Union, a Council Common Position has been agreed on the draft landfill directive, which would entail substantial reductions in the landfill of biodegradable municipal waste.

(b) "Making Waste Work" also set a target of 40 per cent. recovery of municipal waste by 2005. We have accepted all of the recommendations of the cross-sectoral Review Group on the Role of Local Authorities in Recycling, one of which was that Waste Disposal Authorities and Waste Collection Authorities should work together to formulate integrated municipal waste management strategies. Such a strategy would bring into play all the various ways of dealing with waste—composting, recycling, energy from waste and final disposal. With the increasing cost of final disposal to landfill, I would expect waste management options further up the hierarchy to play a more important role in an integrated waste management strategy than they do at present. Composting, recycling and energy from waste all count towards this national recovery target.

The Department has recently issued guidance to local authorities on revising their recycling plans and strategies. The emphasis in the guidance is very much on authorities working together towards integrated municipal waste strategies, of which we expect waste collection authorities' recycling plans to form an integral part.

The Packaging Regulations will also have an important role to play in meeting this target. The Producer Responsibility Obligations (Packaging Waste) Regulations 1997 were introduced by the previous Government and reflect a shared approach agreement between business sectors as a means of implementing the EC Directive on Packaging and Packaging Waste. These Regulations are a first step towards changing attitudes in industry and in society more generally towards consumption, disposal and recycling. The targets in the Regulations are staggered in such a way that will allow the UK to meet the Directive targets as required in 2001, that is that at least 50 per cent. of packaging waste be recovered each year from 2001 and thereafter, and at least 15 per cent. of each material be recycled.

The Regulations are currently being reviewed by the Advisory Committee on Packaging. Among the matters under consideration is the scope for strengthening the local authority role. The Committee is to report at the end of May. Consultation on any proposed changes to the Regulations will take place in the summer.

(c) As far as the target of recycling 25 per cent. of household waste is concerned, we do not now expect it to be met. However, it needs to be recognised that some local authorities are already recycling 25 per cent. of their household waste, although others only manage less than 3 per cent. The important thing is for those authorities with lower recycling rates to benefit from the experience of those achieving higher rates, and to this end the Department is currently undertaking a Good Practice project, which will disseminate to all authorities the good practice of, and lessons learnt by, about forty authorities.

(d) "Making Waste Work" contains targets on composting, including for 1 million tonnes of organic household waste a year to be composted by 2001. This administration is keen to increase the quality and quantity of municipal waste which is composted. One of the main barriers to centralised composting is the lack of markets for the end product. In November last year we issued guidance to local authorities on designing and marketing their compost to large-scale users, mainly in the horticultural and landscaping industries. At the same time, we issued guidance to a wide range of prospective users in those sectors on the benefits of specifying waste-derived compost.

We have also set up a Composting Development Group to identify the problems and obstacles of marketing waste-derived composts to the agricultural, land restoration, landscaping and horticultural sectors, and to develop proposals to help overcome them. The Group is due to report in the summer.

Tenancy Relations Officers

Dr. Tonge: To ask the Secretary of State for the Environment, Transport and the Regions how many local authorities employ tenancy relations officers, pursuant to the Protection from Eviction Act 1977. [39335]

Mr. Raynsford: A survey commissioned by the Department of the Environment in 1995 to explore how local authorities work with the private rented sector found that about 30 per cent. of local authorities employed tenancy relations officers. However, about 80 per cent. of London Boroughs and over half of the metropolitan authorities employed tenancy relations officers.

Shorthold Tenancies

Dr. Tonge: To ask the Secretary of State for the Environment, Transport and the Regions what plans his Department has to commission research into matters relating to private tenancies, with particular reference to six-month assured shorthold tenancies. [39336]

Mr. Raynsford: Information on matters relating to private tenancies, including assured shorthold tenancies, is collected on a continuous basis by the *Survey of English Housing*, and reports are published annually.

The Department is currently commissioning research to investigate harassment and illegal eviction in the private rented sector and is planning, later this year, to commission research into private renters' attitudes to, and experiences of, the private rented sector. Both studies will cover private renters with assured shorthold tenancies.

London Underground

Mr. Cohen: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the causes of delays to London Underground passenger journeys in 1997, broken down into specified time periods and indicating for each category the ways in which the proposed new funding arrangements will reduce those delays. [39428]

Ms Glenda Jackson: I understand from London Transport that figures for the number of train delays for the year 1997–98 are as follows:

Cause	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*Total*[1]
Antisocial behaviour	362	408	472	428	449	394	377	365	382	339	359	350	452	5,137
Passenger ill/injured	38	42	50	54	54	29	48	54	65	53	48	41	34	610
Person on track	23	22	28	45	20	28	31	17	22	33	26	34	24	353
Driving technique	64	58	63	63	57	63	47	58	53	31	43	40	62	702
Rolling stock	1,056	1,185	1,101	1,187	1,430	1,049	1,102	1,141	1,084	927	1,101	1,014	1,166	14,543
Possession overrun	11	5	5	8	4	5	5	8	14	3	5	5	10	88
Signals/point	206	220	187	190	210	193	239	294	268	183	156	148	170	2,664
Terminus management	339	368	315	382	494	437	428	510	468	451	419	475	477	5,563
Track	45	68	67	74	60	60	48	62	70	68	77	74	60	833
Unattended luggage	72	58	41	40	41	29	29	22	36	26	22	26	37	479
All other	92	96	104	107	124	112	105	113	99	80	131	95	126	1,384
Total	2,308	2,530	2,433	2,578	2,943	2,399	2,459	2,644	2,561	2,194	2,387	2,302	2,618	32,356

[1] London Transport calculates statistics on the basis of four week 'periods'. The figures in the table relate to the 13 periods in the financial year 1997–98.

Our Public/Private Partnership proposals will ensure that London Underground has the resources it needs to replace the worn out equipment that leads to rolling stock, signalling, and control failures.

We will also be working with London Underground to see how best to tackle the other causes of delays.

Local Government Pensions

Mr. Gapes: To ask the Secretary of State for the Environment, Transport and the Regions how many applications for dispensation *(a)* have been approved and *(b)* were not approved in each year since the coming into force of (i) the Local Government Compensation for Redundancy Regulations 1994 (SI 3025) and (ii) the Local Government Pension Scheme (Pensionable Remuneration Amendment) Regulations 1995 (SI 2249). [39683]

Mr. Raynsford: This information is not held centrally because the discretion whether to award a one-off compensation payment or to reinstate a reduced pension at its former level under these regulations lay entirely with local authorities. In both cases they had six months to decide whether to exercise it. The time limit for the 1994 regulations expired on 27 June 1995 and for the 1995 regulations on 27 March 1996.

A27, Glynde

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what was the cost of the recent works to improve junction safety on the A27 at Ranscombe Lane, Glynde; and what assessment his Department has made of the advantages of installing simultaneously a cycle path between Lewes and Beddingham. [39584]

Ms Glenda Jackson *[holding answer 24 April 1998]:* The current estimate of the cost of the works to improve Ranscombe Lane junction is £155,000. There has been no assessment to establish the merits of combining this scheme with the Highways Agency's future scheme to install a cycle path between Lewes and Beddingham. It would not have been practicable to carry them out simultaneously, Ranscombe Lane junction was a high priority safety project and improvement was essential to reduce the number of accidents there. The proposal for a cycle path between Lewes and Beddingham is still at an early stage of preparation, for possible implementation in this financial year.

Carbon Dioxide Emissions

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the relationship between growth in gross domestic product and changes in carbon dioxide emissions. [39726]

Angela Eagle: There is a complex relationship between changes in gross domestic product and carbon dioxide emissions because the types of fuel used, the structure of the economy, and energy efficiency are all changing over time. We estimate that under present conditions every 1% increase in GDP would increase emissions of carbon dioxide by about 0.5%, other things being equal. But changes in the other factors mentioned mean that the trend in UK emissions of carbon dioxide is falling at present, whilst gross domestic product is increasing.

Civic Amenity Sites

Mr. Beith: To ask the Secretary of State for the Environment, Transport and the Regions if he will give guidance to local authorities on the extent to which civic

amenity sites are made available in rural areas, and on the maximum travel distance required to convey material to such sites. [39655]

Angela Eagle: No. Under the Environment Protection Act 1990, each Waste Disposal Authority has a duty to arrange for

"places to be provided at which persons resident in its area may deposit their household waste"

and to ensure that these civic amenity sites are "reasonably accessible". The Act does not stipulate what is reasonable and my Department has no power to intervene. We have no plans to issue guidance. However, as far as recycling facilities are concerned, we do have a national target of ensuring that 80% of households have easily accessible facilities by 2000 and the Environment Agency has been asked to consider the possibility of licensing unmanned civic amenity sites where appropriate with a view to assisting their provision in rural areas.

New Road Projects

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions what has been the total cost of new road projects authorised by him since 1 May 1997. [39861]

Ms Glenda Jackson: Since 1 May 1997 new trunk road projects worth £294.5m have been authorised following the Accelerated Roads Review. Of that figure, some £4.2m has been spent to date.

Neighbour Disputes

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions what measures he is considering as part of his review of those powers which are available to local planning authorities, to intervene in neighbour disputes caused by excessively high garden boundaries; and when he expects the review to be complete. [39494]

Angela Eagle: There is no general review of the powers available to local planning authorities to control excessively high garden boundaries.

We are, however, considering whether Government intervention in relation to leylandii and other high hedges is necessary.

Housing Benefit

Maria Eagle: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has for curbing the cost of housing benefit by introducing rent controls; and if he will make a statement. [38476]

Mr. Raynsford: We are considering rent levels and their interaction with Housing Benefit in the context of our overall housing policy as part of our Comprehensive Spending Review. Conclusions from the Review are due to be announced in the summer.

Rail Travel (Disabled Access)

Mr. Oaten: To ask the Secretary of State for the Environment, Transport and the Regions when the Disability Discrimination Act Rail Vehicle Accessibility Regulations will be published. [39879]

Ms Glenda Jackson: We are planning to publish shortly a consultation document which will contain draft Rail Vehicle Accessibility Regulations. The final regulations will be published later this year when they have been approved by Parliament and will apply to all new rail vehicles entering service from 1 January 1999.

Safety at Work

Mr. Oaten: To ask the Secretary of State for the Environment, Transport and the Regions what measures the Government are taking to reduce industrial injuries and promote safety at work. [39878]

Angela Eagle: The Health and Safety Commission's Plans of Work set out what the Commission and the Health and Safety Executive are doing to promote health and safety at work and reduce occupational injury. The Plan for 1998–99 is expected to be published at the end of May. This Government take health and safety at work very seriously and have allocated additional funding of £4.5 million for 1998–99. This will enable the Commission to reinforce its field activity and take forward its key priorities, which will include the improvement of occupational health and cutting injury rates, particularly in the agriculture, construction and manufacturing sectors.

NORTHERN IRELAND

Play Resource Warehouse, Belfast

Mr. Peter Robinson: To ask the Secretary of State for Northern Ireland if she will allocate capital funding for the provision of accommodation for the Play Resource Warehouse, Belfast. [39306]

Mr. Worthington: An application from the Play Resource Warehouse for funding for a specific capital project is being considered in the light of available resources.

Mr. Peter Robinson: To ask the Secretary of State for Northern Ireland what applications the Department of Education, Northern Ireland has received from the Play Resource Warehouse in Belfast for capital funding for new premises. [39305]

Mr. Worthington: One application for part funding was received in 1997 under the Special Support Programme for Peace and Reconciliation.

Businesses

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland how many businesses employ 10 or more people in Northern Ireland; how many businesses that employ 10 or more people are members of the CBI in Northern Ireland; on what basis she has assessed that the CBI in Northern Ireland is representative of business opinion on Northern Ireland; and if she will make a statement. [39196]

Mr. Ingram: At 22 April 1998 there were 6,185 private sector businesses employing 10 or more people in Northern Ireland. Total employment in these firms is some 300,000. I understand the CBI in Northern Ireland has about 300 member firms employing approximately 100,000 people and representing a wide spectrum of

business activity. I welcome views from the CBI and other business organisations in Northern Ireland on a broad range of economic and commercial topics.

HOME DEPARTMENT

Ministerial Group on the Family

Mr. Clappison: To ask the Secretary of State for the Home Department how many times the Ministerial Group on the Family has met since 1 January; and when it will hold its next meeting. [39383]

Mr. Michael: The Ministerial Group on the Family has met once since 1 January. Its next meeting is planned for 11 May 1998.

Drugs

Mr. Clappison: To ask the Secretary of State for the Home Department if he will list the cautioning rates by police force area for *(a)* the supply of class A drugs, *(b)* the possession of class A drugs and *(c)* the supply of class B drugs. [39385]

Mr. George Howarth: The information requested is not readily available and could be provided only at disproportionate cost. Some information on cautioning rates in 1996 for all drug offences taken together by police force area has recently been published (see table A2.4 in Statistics of Drug Seizures and Offenders dealt with, United Kingdom, 1996—Area Tables), copies of which are in the Library.

Police (Fatal Shootings)

Fiona Mactaggart: To ask the Secretary of State for the Home Department (1) how many people were shot dead by police officers in 1997; and of those, how many were *(a)* unarmed, *(b)* armed with a replica gun and *(c)* armed with a gun; [38463]

(2) how many of those people who were shot dead by police officers in each of the years 1989 to 1996 were *(a)* armed with a replica gun, *(b)* armed with a knife and *(c)* armed with a gun; [38464]

(3) in how many cases of fatal shootings by the police in each year since 1981 the Police Complaints Authority has issued a certificate of satisfaction in connection with its inquiry. [38466]

Mr. Michael: The information is given in the table.

Year	*Armed with a replica gun*	*Armed with a knife*	*Armed with a gun*	*Unarmed*	*Still under investigation*
1989	0	0	2	0	0
1990	0	0	2	0	0
1991	1	0	1	0	0
	1 starting pistol	—	—	—	—
1992	1	0	2	0	0
1993	0	0	3	0	0
1994	1	0	1	0	0
1995	0	0	0	2	0
1996	0	1	0	0	1
1997	0	0	0	0	0

The Police Complaints Authority have kept the relevant records only since 1991. They have supervised investigations into 14 fatal shootings between 1991 and 1997. In every case they have issued a certificate under section 89(7) of the Police and Criminal Evidence Act 1984, recording their satisfaction with the way in which the investigation was conducted. They are still investigating one case of a fatal shooting during that period.

Millennium Compliance

Mrs. Gillan: To ask the Secretary of State for the Home Department if all the computer systems used by the emergency services in England will be millennium compliant by 31 December 1998. [39894]

Mr. Straw: No. It is the responsibility of each police force and fire authority to ensure that their local information technology (IT) and communications systems are millennium compliant. In prioritising the remedial actions necessary to resolve millennium problems, forces and brigades will take into account the date by which particular systems need to be compliant. Priority will be given to those key systems which will need to be compliant by the start of 1999. For other systems, the end of 1999 will be the target date for compliance.

Ambulance Trusts and Acute Trusts providing accident and emergency services, in line with other National Health Service organisations, are making every effort to ensure their computer systems are millennium compliant by 31 December 1998. In particular, ambulance command and control systems have been given a very high priority in determining their compliance status and in undertaking the necessary replacements or upgrades. However, in some cases, it may not be possible to complete the latter until the first quarter of 1999.

MISC4, the Ministerial Group on the Millennium Date Change, is continuing to give priority to preparing the national infrastructure, including the emergency services, for the new millennium. I refer the hon. Member to the answer my right hon. Friend the Prime Minister gave to my hon. Friend the Member for Swansea, East (Mr. Anderson) on 30 March 1998, *Official Report*, columns *374–76*.

Handguns

Mr. Steen: To ask the Secretary of State for the Home Department when Michael Wellum, of Wrenwell Farm, Denbury, Devon, will receive compensation for the pistols he handed in 1997; and what factors underlie the length of time taken to handle the claim. [39779]

Mr. Michael: The claim was received in the Firearms Compensation Section on 28 August 1997. The Option A and B elements of the claim, and of an accompanying ex gratia application under the voluntary surrender scheme for small-calibre pistols, were processed on 23 January 1998 and payment made. The remaining Option C elements, which will require individual consideration of the evidence of value provided, will be dealt with later in the year. As I have said to the House on many occasions, the number and complexity of these compensation claims, and the need for careful examination to counter fraud and ensure payment at the correct rates, are all factors contributing to the processing time.

FOREIGN AND COMMONWEALTH AFFAIRS

Cornish Language

Mr. Andrew George: To ask the Secretary of State for Foreign and Commonwealth Affairs if the Government will support the nomination of the Cornish language for inclusion in the European Charter for Regional or Minority Languages. [39700]

Mr. Tony Lloyd: I refer the hon. Member to the answer I gave the hon. Member for Ceredigion, (Mr. Dafis) on 9 March 1998, *Official Report*, column 56.

Mr. Andrew George: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment the Government have made of the advantages to *(a)* Britain and *(b)* Cornwall and Scilly of the proposal to incorporate the Cornish language in the European Charter for Regional or Minority Languages. [39701]

Mr. Tony Lloyd: I refer the hon. Member to the answer I gave today to his previous question (39700). The advantages to Cornwall and the Isles of Scilly will form part of the assessment of the relevant Government Departments.

Refugee Legal Group

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs when the Refugee Legal Group will receive a reply to their letter of 17 July, concerning entry clearance officers in Columbo. [39484]

Mr. Fatchett: My noble Friend the Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs wrote to the hon. Member on 22 April 1998 replying to the points raised in the Refugee Legal Group's letter.

Consular Offices (South Africa)

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs how many British citizens have sought advice and assistance from the British High Commission in South Africa in each of the last three years. [39703]

Mr. Fatchett: The total number of telephone/postal and personal requests for assistance and advice recorded in our Consular statistics for South Africa are:

1995: 173,300

1996: 303,850

1997: 306,400.

The number of services provided to British Citizens in the last three years by the Consular Offices in South Africa are as follows:

Passport Applications:

1995: 27,000

1996: 28,000

1997: 31,800.

Number of British Citizens provided with financial assistance:

1995: 242

1996: 582

1997: 366.

Number of protection cases related to accidents, deaths, arrests, prison and hospital visits involving British citizens:

1995: 242

1996: 130

1997: 287.

Indian Prime Minister

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs when he plans to meet the Prime Minister of India. [39704]

Mr. Fatchett: My right hon. Friend the Foreign Secretary has no plans to meet the Indian Prime Minister in the near future. I hope to visit India and have discussions with the new Government there soon.

Ambassadors

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the ambassadors he has appointed since 1 May 1997. [39705]

Mr. Tony Lloyd: The following Ambassadors have been appointed and announced since 1 May 1997:

Name	*Country or International Organisation*
Sir A. Allen	Australia
Mr. G. Baker	Barbados
Mr. J. Wilde	Botswana
Mr. J. S. Laing	Brunei
Mr. J. Jenkins	Burma
Mr. P. Boon	Cameroon
Mr. J. Thorp	Colombia
Mr. A. Green	Costa Rica
Mr. T. Millson	Gambia
Sir P. Lever	Germany
Mr. A. Caie	Guatemala
Mr. M. Pellew	Holy See
Mr. M. Williams	New Zealand
Mr. J. Yapp	Seychelles
Mr. B. Dinwiddy	Tanzania
Sir C. Meyer	United States of America
Mr. T. Young	Zambia
Mr. P. Longworth	Zimbabwe
Governors	
Mr. F. Savage	British Virgin Islands
International Organisations	
Mr. J. Greenstock	United Nations
Mr. I. Soutar	UK Delegation to the Conference on Disarmament

It is not possible to give details of appointments which have not yet been formally announced.

EU Common Foreign and Security Policy

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 27 March 1998, *Official Report*, column *311*, if he will make it his policy to seek agreement with other member states so that the subjects discussed at the EU Common Foreign and Security Policy working groups can be disclosed. [38918]

Mr. Doug Henderson *[holding answer 24 April 1998]:* Several Member States have consistently made clear their objection to publication of documents that reveal details of their negotiating position.

As my answer of 27 March 1998, *Official Report*, column *311* stated, the Government are committed to ensuring more effective parliamentary scrutiny of CFSP business, and have published proposals to that effect.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 27 March 1998, *Official Report*, column *311*, if he will publish in advance the dates on which EU Common Foreign and Security Policy working groups meet. [38919]

Mr. Doug Henderson *[holding answer 24 April 1998]:* The calendar of Common Foreign and Security Policy working groups for the remainder of the UK Presidency of the European Union is as follows:

Date	*Working groups*
April 1998	
Wednesday 22	Security, Asia, Middle East/ Gulf
Friday 24	Planners, Global Disarmament
Wednesday 29	Central Europe, Conventional Arms Exports
Thursday 30	Africa
May 1998	
Tuesday 5	Euro-Mediterranean
Wednesday 6	Mashraq/Maghreb, Eastern Europe/Central Asia, Terrorism
Thursday 7	Western Balkans Region, Asia, Middle East Peace Process
Friday 8	Armaments Policy, South East Europe
Monday 11	OSCE
Wednesday 13	Human Rights
Thursday 14	Human Rights
Tuesday 19	Latin America, Drugs
Wednesday 27	United Nations, Euro-Mediterranean
Thursday 28	Euro-Mediterranean
Thursday 28	Euro-Mediterranean, Non-Proliferation
Friday 29	Communications
June 1998	
Wednesday 3	Central Europe, Middle East/Gulf, Africa, Armaments Policy
Thursday 4	Western Balkans Region, Middle East Peace Process, Africa, Global Disarmament
Wednesday 10	Security
Thursday 11	Conventional Arms Exports, Asia, Eastern Europe/Central Asia, Public International Law
Friday 12	Law of the Sea
Wednesday 17	OSCE
Thursday 18	Administrative Affairs
Wednesday 24	Consular Affairs

Austria, the next holder of the EU Presidency, have not yet circulated their calendar of Common Foreign and Security working group meetings. This will be placed in the Libraries when finalised.

PRIME MINISTER

Reviews

Sir Raymond Powell: To ask the Prime Minister what is the cost to date of the reviews set up by the Government since 1 May 1997; and if he will list each review. [38078]

The Prime Minister: Information on the cost of reviews is not held centrally and could be provided only at disproportionate cost. However, in many cases reviews have been carried out as part of normal departmental business. A list of the reviews announced by the Government since 1 May has been placed in the Library.

List of Reviews announced by the Government since 1 May 1998

- Review of the Crown Prosecution Service
- Review of International Development policy leading to the publication of a White Paper
- Review of civil justice and legal aid
- Review of welfare services to the courts
- Review of enforcement of civil court judgments
- Study and evaluation of current tax appeals systems
- Review of Lord Chancellor's Department funding for marriage support and research services
- Review of the UK legislation controlling the disposal of animal waste
- Review of the public analyst service in England and Wales
- Review of salmon and freshwater fisheries
- Review of the future funding of regulatory arrangements for pesticides
- Review of the current rules on quarantine of imported pet animals
- Review of the Hill Livestock Compensatory Allowance Scheme
- Review of the Home Grown Cereals Authority
- Review of the rates and structure of aid to farmers under the Organic Aid Scheme
- Review of arrangements for enforcing the rules on the welfare of animals exported live to the Continent
- Review of the Milk Development Council
- Review of fishing vessel licensing
- Review of the threshold exempting employers with fewer than 20 employees from the employment provisions of the Disability Discrimination Act 1995
- Review of the Qualifications Appeals Systems
- Review of the Bureaucratic Burden on Teachers
- Review of Pensions
- Review of Welfare
- Review of the Women's National Commission
- Review of the Code of Practice on Access to Government Information
- Review of Quangos
- Review of the Charter Programme
- Review of the existing Drugs Strategy
- Review of the United Kingdom's position under various international human rights instruments
- Review of policy towards the remaining UK Overseas Territories
- Review of the criteria used in considering licence applications for the export of conventional arms

Strategic Defence Review

Review of the arrangements for compensating service personnel (or their dependants) and for the payment of Death and Invaliding Benefit

Review of Information Services: Northern Ireland Office

Review of Trust Ports in Northern Ireland

Review of the 1993 Strategy for the Support of the Voluntary Sector and for Development in Northern Ireland

Review of the District Councils' Community Services Programme

Review of Training Centres and Further Education Colleges in Northern Ireland

Fundamental Review of the Economic Development Strategy in Northern Ireland

Review of the Industrial Development Support Services: Northern Ireland

Policy review of the Youth Service: Northern Ireland

Review of the law relating to surrogacy

Review of the evidence relating to silicon breast implants

Review of the breast cancer screening programme in Devon and the implications for the breast cancer screening programme as a whole

Strategic review of health services in London

Review of the latest information available on inequalities in health

Independent review of proposals for the transfer of bulk blood processing and testing from Liverpool to Manchester

NHS Charter Advisory Group (Review of NHS Charter)

Review of the National Curriculum in Wales

Strategic review of the Welsh Trunk Road Programme

Review of the role of the Welsh Language Board in Welsh Education

Review of the number and shape of NHS Trusts in Wales

Review of economic regeneration Wales

Welsh Office Review of planning policy for opencast coal mining

Comprehensive Spending review

Review of the North Sea Fiscal Regime

Review of capital gains taxation

Review of charities' taxation

Review of leakage and avoidance of direct taxes

Review of alcohol and tobacco duties

Review of the Venture Capital Trust Scheme and Enterprise Investment Scheme

Review of tax and benefits

Review of landfill tax

Review on the revenue effect of a reduced rate of VAT for energy efficient materials and alternative options for targeted relief to help those on low incomes to save energy

Review of Private Finance machinery

Review of research and development

Review of the calculation of Vehicle Excise Duty for lorries

Further review of the capital gains of companies

Home Office and Northern Ireland Office Review to consider permanent UK-wide counter-terrorism legislation

Review of the law relating to bribery and corruption

Strategic review of National Police Training

Interdepartmental review of police pensions

Review of arrangements for confiscation of criminal assets

Review of fire-fighters pension scheme

Review of community fire safety

Review of prison nursing services

Review of long-term future of Prison Service health care

Review of Prison Service Drug Strategy

Review of Prisons Investigation Strategy

Review of the operation of release of prisoners on temporary licence

Review of Government proposals for youth justice

Review of measures to deal with anti-social behaviour

Review of measures to deal with protection of communities from known sex offenders who pose a continuing risk

Review of measures on community safety

Inter-Departmental review of the treatment of vulnerable and intimidated witnesses

Review of the future role of local civil protection in England and Wales

Review of the control of unscrupulous immigration advisers

Review of immigration and asylum appeals

Working Party on Electoral Procedures

Comprehensive Review of the food-related scientific services in Scotland

Review into the system of land ownership and management in Scotland

Review of transport policy in Scotland

Review of the Scottish roads programme

Review of Skye Bridge tolls

Review of countryside access legislation in Scotland

Review to identify areas of Scotland appropriate for designation as National Parks

Review of the Scottish water industry

Review of rural water and sewerage grant scheme

Review of Gaelic broadcasting

Scottish Enterprise Strategy review

Review of the Scottish Awards Agency for Scotland

Review of Scottish Homes' Support for Owner Occupation

Review of Scottish Homes' support for rented housing

Commission on Local Government and Scottish Parliament

Review of the Post Office

Audit of the Foresight Programme (a programme to bring together businesses, Government and academia to identify market and technology opportunities for the future)

Review of new and renewable energy

Review of clean coal technology

Review of utilities regulation

Review of electricity trading arrangements

Review of energy sources for power regeneration

Review of company law

Review of film policy

Review of arrangements for celebrating the Millennium

Review of the National Lottery, leading to the publication of a White Paper

Review of policy on admission charging by national museums. (Now subsumed within the Comprehensive Spending Review)

Review of the list of nationally important sporting events which must be made available on free-to-air terrestrial TV channels

Independent review of the future of the Royal Opera House companies and the English National Opera

Review of rolling stock leasing market

Review of policy on chemicals in environment

Review of the National Air Quality Strategy

Review of the Pilotage Act

Review of the water charging system and the water abstraction licensing system

Review of UK sustainable development strategy

Fundamental review of transport policy

Review of compulsory competitive tendering regulations and guidance

Financial management and policy review of the Local Government Commission

Review of political restrictions on local government officers

Review of the conveyancy process

Libya

Mr. Dalyell: To ask the Prime Minister, pursuant to the oral answer of the Secretary of State for the Home Department of 30 March 1998, *Official Report*, columns 887–88, if he will discuss with each of the host countries during his forthcoming Middle East visit the extent to which *(a)* Lockerbie and *(b)* the case of WPC Yvonne Fletcher underlie United Nations sanctions against Libya. [38213]

The Prime Minister *[holding answer 7 April 1998]:* Lockerbie is an issue of the greatest importance to this Government. During my visit to the Middle East I stressed the need for progress in implementing the relevant UN Security Council Resolutions. They relate to Lockerbie, not to the murder of WPC Fletcher. That tragic case, with Lockerbie, is a major obstacle in our bilateral relations with Libya.

Question Time

Mr. Gummer: To ask the Prime Minister if he will initiate a review of his decision to change Prime Minister's Question Time to one session a week. [38425]

The Prime Minister: As my right hon. Friend the President of the Council made clear when the changes to Prime Minister's Questions were made, the Modernisation Committee will be able to review the new arrangements as time progresses as part of their wide-ranging programme which is looking at many aspects of the machinery of Parliament. That remains the case.

China

Mr. Vaz: To ask the Prime Minister if he will make a statement on his discussions with Premier Zhu Rongji; and if he will review the mechanisms by which UK-China relations are conducted. [38822]

The Prime Minister: On 2 April I held constructive discussions with Premier Zhu on a wide range of topics of bilateral and international interest. We value dialogue with China and aim to hold high-level discussions on a regular basis.

EMU

Mr. Cash: To ask the Prime Minister if he will list the criteria for determining the success of economic and monetary union in the context of determining a future United Kingdom application to join; and for how long that union must have been in operation in order so to judge. [39742]

The Prime Minister: The economic tests were set out in the statement made by my right hon. Friend the Chancellor of the Exchequer to the House on 27 October 1997, *Official Report*, column 583.

Mr. Cash: To ask the Prime Minister what measures he is taking to ensure that the United Kingdom meets the five economic tests for participation in economic and monetary union. [39753]

The Prime Minister: The Government's reforms to the Bank of England and the Code for Fiscal Stability will help to deliver the macroeconomic stability the UK economy needs to demonstrate sustainable and settled convergence.

In addition, the Government's programme of investing in education and training, helping people from welfare into work and improving the functioning of markets will deliver the flexibility the UK economy needs.

Crown Office, Scotland

Mr. John M. Taylor: To ask the Prime Minister which Government Minister is answerable to the House for the performance of the Crown Office in Scotland. [39582]

The Prime Minister *[holding answer 24 April 1998]:* The Government Minister answerable for the performance of the Crown Office in Scotland is my noble and learned Friend the Lord Advocate. Questions in this House will be answered on his behalf by the Secretary of State for Scotland.

PRESIDENT OF THE COUNCIL

Anti-Drugs Co-ordinator

Mr. Clappison: To ask the President of the Council what is her most recent estimate of when the strategy of the United Kingdom Anti-Drugs Co-ordinator will be published; and if she will make a statement. [39375]

Mrs. Ann Taylor: I announced to the House on 23 April 1998, *Official Report*, column 974 that it would be launched today.

Mr. Clappison: To ask the President of the Council what estimates she has made of how much will be spent by the United Kingdom Anti-Drugs Co-ordinator in each of the three years of his term. [39381]

Mrs. Ann Taylor: The UK Anti-Drugs Co-ordinator, Keith Hellawell, is a special adviser to the Government, and as such has no budget to spend. He has been tasked with overseeing a Comprehensive Spending Review of existing drug resources, which has informed the Government's new anti-drugs strategy, to be launched today. This shows that the Government currently spend about £1.4 billion a year on anti-drugs activity. An announcement on funding from 1999–2000 will be made later in the year, following the outcome of the Comprehensive Spending Review.

DEFENCE

Reserves

Mr. Key: To ask the Secretary of State for Defence if he will list the numbers of regular reserve forces in the Royal Navy, Army and Royal Air Force in each year since 1988. [39634]

Dr. Reid: The information requested is given in the table.

UK regular reserve forces at 1 April each year

Year	Royal Fleet reserve	Army reserve	Royal Air Force reserve
1988	12,113	58,082	5,553
1989	12,717	62,197	7,394
1990	13,630	65,751	10,091
1991	13,944	65,214	12,607
1992	13,369	63,145	14,450
1993	8,792	57,423	15,919
1994	8,763	54,939	16,329
1995	8,603	53,425	15,877
1996	9,012	48,521	16,018
1997	9,974	41,195	16,349

Note:
Definitions of the regular reserve forces are taken from Reserve Forces Act 1996. Figures for 1 April 1998 are not yet available.

Mr. Key: To ask the Secretary of State for Defence how many RAF reservist role support squadrons have been established; for which aircraft; and what are their missions. [39623]

Dr. Reid: Four role support squadrons have been formed.

The Helicopter Support Squadron, based at RAF Benson, formed on 1 October 1996. The Squadron provides manpower for augmentation and operational support for the Support Helicopter Force during contingency force, peacekeeping, humanitarian and disaster relief operations.

The Offensive Support Role Support Squadron formed on 1 January 1998, and is based at RAF Cottesmore. The Squadron provides manpower for augmentation and operational support of the Harrier and Jaguar Force.

The Strike Attack Support Squadron based at RAF Marham, formed on 1 April 1998. The Squadron provides a pool of manpower for augmentation and operational support of the Tornado GR 1/4 Force.

The Air Transport and Air-to-Air Refuelling Support Squadron with an HQ based at RAF Brize Norton, and a detachment at RAF Lyneham, formed on 1 April 1998. The Squadron provides manpower to augment and support Air Transport at RAF Lyneham and Brize Norton and Air-to-Air Refuelling at RAF Brize Norton.

A further Squadron, the Air Defence Support Squadron, is due to be established at RAF Leeming on 1 July 1998. The Squadron will provide manpower to augment and support the Air Defence Force.

Mr. Key: To ask the Secretary of State for Defence what were the findings of the 1996 study into the demographic and geographical distribution profile of potential recruits to the reserves which was announced in the Government response to the Twelfth report of the Defence Committee in January 1996 (HC 188). [39636]

Dr. Reid: In 1996 my Department employed an independent consultant to conduct a detailed study into recruitment to the Territorial Army (TA). This study suggested that the approach to TA recruitment was insufficiently nationally co-ordinated, and that it was not therefore possible to make a proper assessment of the demographic and geographical distribution profile of recruits and potential recruits to the Reserves. Following the study's conclusions, my Department is developing a management information system which will allow analysis of geographic and demographic trends, and in turn enable us greater focus in TA marketing and recruitment.

Mr. Key: To ask the Secretary of State for Defence what is *(a)* the establishment and *(b)* the strength of the Royal Marines Reserve. [39632]

Dr. Reid: The total establishment of the Royal Marines Reserve is presently 1,000, of which some 600 billets are for fully trained personnel. As at 1 March their total strength was 871, of which 525 were fully trained.

Mr. Key: To ask the Secretary of State for Defence what new roles for RAF reservists have been *(a)* identified and *(b)* established since the enactment of the Reserve Forces Act 1996. [39630]

Dr. Reid: As the Reserve Forces Act 1996 focused primarily on terms of employment rather than types, no new roles have been identified or established as a direct consequence of the Act. However, since the enactment in April 1997, 3 further Role Support Squadrons have been formed to complement the first, the Helicopter Support Squadron, which formed in October 1996; a fifth squadron is to be formed in July 1998. Their roles reflect a new concept of operations which requires them to supply manpower to augment regular RAF units deployed on contingency force, peacekeeping, and humanitarian and disaster relief operations. Use has already been made of the new categories of reserve service introduced within the Act. All Reservist Aircrew have volunteered to serve as High Readiness Reservists, and some 17 officers and 18 other ranks are currently employed under the new Full Time Reserve Service terms in a range of posts.

Mr. Key: To ask the Secretary of State for Defence what is the *(a)* actual strength and *(b)* establishment of the Merchant Navy Reserve; what is the recruiting target; and what is the annual bounty payable. [39631]

Dr. Reid: At the end of March 1998 the actual strength of the Merchant Navy Reserve was 978 against an establishment of 1,000. There is no specific recruitment target at the present time. Members of the MNR receive an annual taxable bounty of £200.

Mr. Key: To ask the Secretary of State for Defence what was the strength in *(a)* June 1997 and *(b)* March 1998 of the RAuxAF training and standardisation squadrons at RAF Halton and RAF Shawbury. [39625]

Dr. Reid: The strength of the Royal Auxiliary Training and Standardisation Squadrons at RAF Halton and RAF Shawbury in June 1997 and March 1998 were as follows:

	June 1997	March 1998
TSS Halton	2	14
TSS Shawbury	1	7

Mr. Key: To ask the Secretary of State for Defence what was *(a)* the establishment and *(b)* the actual strength of the Royal Naval Reserve in (i) 1994, (ii) 1995, (iii) 1996, (iv) 1997 and (v) 1998. [39628]

Dr. Reid: The establishment and actual strength of the Royal Naval Reserve for each year since 1994 are shown in the following table:

	Establishment	*Actual strength*
1 April 1994	3,500	3,566
1 April 1995	3,500	2,808
1 April 1996	3,500	2,632
1 April 1997	3,500	2,671
1 April 1998	3,500	2,838

Mr. Key: To ask the Secretary of State for Defence what was the strength in *(a)* April 1997 and *(b)* April 1998 of the RAuxAF Air Transportable Surgical Squadron at RAF Leuchars. [39624]

Dr. Reid: The RAuxAF Air Transportable Surgical Squadron which formed on 1 April 1997 had on 1 April 1998 a strength of 39 personnel which includes three regular members of the RAF.

Mr. Key: To ask the Secretary of State for Defence if he will make a statement on trials being conducted on the feasibility of recruiting and training volunteer reservist aircrew for Tornado F3 fighter aircraft. [39622]

Dr. Reid: The trial into the feasibility of recruiting and training volunteer reservist aircrew for Tornado F3 aircraft is under way, with two pilots and one navigator currently undergoing refresher training.

Mr. Key: To ask the Secretary of State for Defence how many Royal Auxiliary Air Force aircrew have been recruited to fly Puma helicopters in each month since February; and if he will make a statement. [39621]

Dr. Reid: Since February 1997 no Royal Auxiliary Air Force aircrew have been recruited to fly Puma helicopters, although one pilot who was part of the earlier trial on the Wessex helicopter is currently undergoing Puma simulator training. Three further pilots are to be recruited by September this year, and two further applications are pending.

Chemical Defence Programme

Mr. Sedgemore: To ask the Secretary of State for Defence if the United Kingdom chemical defence programme is in compliance with the terms of the Chemical Weapons Convention; and if he will make a statement. [40119]

Dr. Reid: The Chemical Weapons Convention, with which the United Kingdom is fully compliant, permits activities which protect against the use of chemical weapons. The UK chemical defence programme has been constructed to meet that need. In order to re-emphasise our commitment to openness, a copy of the 1997 summary outlining the UK chemical defence programme, which has been forwarded to the Organisation for the Prohibition of Chemical Weapons in the Hague, has been placed in the library of the House.

Astra Group

Mr. Browne: To ask the Secretary of State for Defence if he will make a statement on the quantity and content of files relating to the Astra Group taken by Ministry of Defence Police from RAF Weathersfield and returned to the Receiver subsequent to the conclusion of the Scott Inquiry; and what assessment the Government have made of the relevance of this material to the conclusions of the Scott Inquiry. [38780]

Mr. Spellar *[holding answer 20 April 1998]:* MOD Police Fraud Squad Officers seized documentation, between 1990 and 1992, from the Astra group of companies during the course of an investigation into corruption involving those companies. All the seized documentation that belonged to the Astra group of companies was returned to their Receivers in June 1993 and June 1995.

Documentation held by the Astra Group's Receivers was examined by Sir Richard Scott's Inquiry and is catalogued at Appendix A Part C of the Inquiry Report; which is available in the Library of the House. Sir Richard Scott dealt with the relevance of the documentation to his Inquiry at paragraph D7.59 of his Report.

Mr. Browne: To ask the Secretary of State for Defence if he will take steps to ensure that files relating to the Astra Group taken by Ministry of Defence Police from RAF Weathersfield and returned to the Receiver subsequent to the conclusion of the Scott Inquiry are made available for scrutiny by interested parties. [38781]

Mr. Spellar *[holding answer 20 April 1998]:* MOD Police Fraud Squad Officers seized documentation, between 1990 and 1992, from the Astra group of companies during the course of an investigation into corruption involving those companies. All the seized documentation that belonged to the Astra group of companies was returned to their Receivers in June 1993 and June 1995.

The availability of that documentation for scrutiny is a matter for the Receiver.

Gulf War Syndrome

Mr. Matthew Taylor: To ask the Secretary of State for Defence when the Chemical and Biological Defence Establishment at Porton Down drew up its strategy and proposed work programme for its research into Gulf War Syndrome; if this document has been approved by his Department; and if he will place a copy of this document in the Library. [38929]

Dr. Reid: Outline proposals were drawn up at MOD's request by CBD Porton Down in May—July 1997 for a research programme into the possible health effects of the combination of vaccines and tablets given to troops in the Gulf to protect them against the threat of biological and chemical warfare. The proposals were described in the policy statement "Gulf Veterans Illnesses: A New Beginning" published on 14 July 1997.

The proposals were subsequently developed into a programme document and detailed protocols which were submitted to an Independent Panel established to oversee the programme, prior to its first meeting on 18 December 1997. Some modifications have been made to the research proposals in the light of advice received from the Panel and further advice is expected in due course on other aspects of the programme. The programme documentation is, therefore, evolving. Our intention is to agree with the

Panel a document summarising the revised programme and to place a copy in the Library of the House as soon as this has been done.

C-17 Aircraft

Mr. Hoyle: To ask the Secretary of State for Defence if he will make a statement on the cost of the C-17 aircraft; what tendering rules have been drawn up for the C-17; and what assessment he has made of the benefits to British industry of the project. [39565]

Mr. Spellar: I refer my hon. Friend to the answers I gave on 5 November 1997, *Official Report*, column *255* and 19 January 1998, *Official Report*, column *415*. We are still considering with partners how a competition involving other aircraft might be organised. I can assure my hon. Friend that any decision on future airlift will be subject to normal procurement rules and will take account of industrial issues as well as other relevant factors.

Mr. Stephen Kock

Mr. Campbell-Savours: To ask the Secretary of State for Defence what contact Mr. Stephen Kock had with DESO between 1985 and 1991. [38862]

Mr. Spellar *[holding answer 20 April 1998]:* DESO may have had contact with Mr. Kock during this period in the course of its normal function of providing advice and support for defence exporters. However, DESO is not aware of any record of these contacts.

Challenger II

Ann Clwyd: To ask the Secretary of State for Defence what estimate he has made of the current expected cost to completion of the Challenger II programme and the change which represents in real terms over the original estimated cost of the programme. [39269]

Mr. Spellar: The current estimate of the cost of completion of the Challenger II programme is £2,156 million, compared with the original estimated cost of £2,162 million, both at 1996–97 prices. A detailed breakdown of these figures is contained in Appendix 1 of "Major Projects Report 1996", a copy of which is in the Library of the House.

Territorial Army

Mr. Blunt: To ask the Secretary of State for Defence how many TA centres are also used by the cadet forces. [39498]

Dr. Reid: As at 1 April 1998, there were 376 TA Centres that are also used by the cadet forces. I have arranged for a detailed list to be placed in the Library of the House.

Mr. Key: To ask the Secretary of State for Defence what evidence he has obtained of the effectiveness of the fifth year rate of bounty in improving the rate of turnover in the Territorial Army. [39627]

Dr. Reid: The Fifth year bounty for the Territorial Army was introduced in April 1996 and turnover figures since then are available only for the year 1997. It is too early to draw any meaningful conclusions on the impact of this bounty on retention.

Hercules Squadrons

Mr. Key: To ask the Secretary of State for Defence how many Royal Auxiliary Air Force aircrew for Hercules squadrons have been recruited in each month since February 1997; and if he will make a statement. [39620]

Dr. Reid: 30 reservist aircrew have so far been recruited for the Hercules aircraft since February 1997 as follows:

Hercules reserve aircrew recruited since February 1997

Year	*Month*	*Number*
1997	February	0
	March	0
	April	0
	May	8
	June	1
	July	3
	August	2
	September	2
	October	3
	November	5
	December	2
1998	January	1
	February	1
	March	1
	April	1

Air Refuelling Tanker Fleet

Mr. Hoyle: To ask the Secretary of State for Defence if he will make a statement on the date for replacement of the air refuelling tanker fleet. [39771]

Mr. Spellar: Plans to replace the RAF's air refuelling tanker fleet are at an early stage. Current planning assumptions, however, are that we will start to replace the fleet early next century.

EDUCATION AND EMPLOYMENT

Sick Children

Mr. Burstow: To ask the Secretary of State for Education and Employment what guidance is issued by his Department to local education authorities concerning the management of children with ME/CFS. [39864]

Ms Estelle Morris: Guidance on good practice in arranging provision for sick children is contained in DfEE Circular 12/94, "The Education of Sick Children". Circular 14/96, "Supporting Pupils with Medical Needs in School", sets out schools' legal responsibilities for pupils with medical needs. Good practice guidance was also made available in October 1996 to help schools put policies and procedures in place.

New Deal (Chesham and Amersham)

Mrs. Gillan: To ask the Secretary of State for Education and Employment how many people are eligible in Chesham and Amersham for the New Deal. [39893]

Mr. Andrew Smith: I have placed in the Library a list of the client planning assumptions for each New Deal unit of delivery which the Employment Service is using to plan provision for young unemployed people aged 18–24.

The table shows that the planning assumption for the Slough unit of delivery, which includes the Chesham and Amersham constituency, is that 1,042 young people could be eligible to join the New Deal in 1998–99.

Mrs. Gillan: To ask the Secretary of State for Education and Employment how many companies in Chesham and Amersham have signed up for the New Deal. [39904]

Mr. Andrew Smith: Since the national launch of New Deal for 18–24 year olds on 6 April, three companies in the Chesham and Amersham constituency have signed formal agreements for the employment option. There has been positive interest from other employers in the area who are expected to sign up for New Deal shortly.

Young unemployed people in the constituency will also have New Deal employment opportunities through local branches of companies which have signed up to New Deal at the national level and also through vacancies notified at the local Jobcentres. Ten employers have currently signed Employers Agreements at Aylesbury Jobcentre and 14 at High Wycombe Jobcentre. Across the Slough unit of delivery, which includes the hon. Member's constituency, 65 firms have signed up.

Child Care

Fiona Mactaggart: To ask the Secretary of State for Education and Employment what plans he has for improved child care for school-aged children during half-term and school holiday breaks. [38492]

Mr. Alan Howarth: Our national child care strategy will help parents, especially women, to balance work and family life. The aim is to have a range of good quality, affordable child care provision in every neighbourhood, meeting the year-round needs of children and parents. More than £300 million from public funds and from the New Opportunities Fund will be invested in developing child care over the next five years.

TRADE AND INDUSTRY

Offshore Wind Generation

Mr. Boswell: To ask the President of the Board of Trade what plans she has to introduce a unified consent system for offshore wind generation installations. [39587]

Mr. Battle: Section 36 of the Electricity Act 1989 provides the legislative basis for an existing system for the construction, extension and operation of electricity generating stations exceeding 50 Megawatts of installed capacity. Offshore wind energy stations exceeding 50 Megawatts of installed capacity are embraced by these arrangements and separate arrangements exist under the Coastal Protection, Food and Environmental Protection, and Transport and Works Acts for offshore wind energy generating stations which do not exceed 50 Megawatts. I am currently considering representations I have received from the British Wind Energy Association on these arrangements.

Parental Leave

Mr. Cohen: To ask the President of the Board of Trade what plans she has in respect of increasing the provision of parental leave. [38511]

Mr. Ian McCartney: The Government are committed to implementing the EC Parental Leave Directive by December 1999. The Directive will provide employees, both mothers and fathers, with a basic entitlement to three months unpaid leave on grounds of the birth or adoption of a child. It will also provide employees with the right to time off for urgent family reasons. We intend to consult fully on how we implement the Directive, in particular on the matters on which it provides options and flexibilities.

Electronic Commerce

Dr. Ladyman: To ask the President of the Board of Trade how the Government intend to encourage electronic commerce; and if she will make a statement. [40083]

Mrs. Roche: The Information Age strategy launched by the Prime Minister on 16 April 1998 demonstrates the Government's commitment to electronic commerce. Electronic commerce is crucial to the future prosperity of our economy and to the competitive position of our industries, and the UK is well placed to play a leading role. Building on the success of the Programme for Business, the Government are now putting in place the policy and legal framework in which electronic commerce can flourish. From schools to high finance in the City the Government are committed to ensuring everyone benefits from advanced electronic communications.

It is also important to make electronic commerce more secure. Users cannot afford to let the information they transmit across the Internet (or any other network) be compromised. They must have confidence that both the integrity and confidentiality of their information will be protected. At the same time, users must be able to trust both the technologies which allow such security and the commercial organisations providing it. To that end, I am announcing today proposals for legislation to introduce voluntary licensing arrangements for bodies offering cryptographic services to the public to ensure that minimum standards of quality and service are met. They will apply to both Certification Authorities (providing electronic signature services) and other bodies providing encryption services. The arrangements will set minimum technical and competence standards for bodies that wish to seek licences. The legislation will also enable users to place greater reliance on digital signatures, through a presumption of legal recognition for those signatures generated by licensed Certification Authorities. Fuller details of this policy are set out in a Statement which is being lodged in the Libraries of both Houses.

It is not, however, in the interests of business or the public for criminals and terrorists to be able to exploit these new technologies to disguise or conceal their activities. To meet these concerns, the Government will also introduce legislation making provision for law enforcement agencies to gain legal access, under a properly authorised warrant and on a case by case basis, to encryption keys or other information protecting the secrecy of stored or transmitted information. The purpose

of these new powers will be to maintain the effectiveness of the existing legislation designed to protect the public from crime and terrorism.

Defence Exports

Ms Drown: To ask the President of the Board of Trade what amount of export credits for each of the years between 1994 and 1997 was granted for defence-related business with *(a)* India, *(b)* Indonesia, *(c)* Jordan, *(d)* Kenya, *(e)* Malaysia, *(f)* Nigeria, *(g)* Pakistan, *(h)* Saudi Arabia, *(i)* Thailand and *(j)* Turkey. [39665]

Mrs. Beckett: From information readily available, the figures requested are as follows:

£ million

	1994	*1995*	*1996*	*1997*
India	0	0	0	0
Indonesia	114	412	143	9
Jordan	0	0	0	0
Kenya	0	0	0	0
Malaysia	0	0	0	0
Nigeria	0	0	0	0
Pakistan	7	0	0	0
Saudi Arabia	225	225	225	225
Thailand	22	0	0	25
Turkey	90	265	2	36

These figures include all ECGD-covered business with defence buyers, including the sale of non-lethal equipment.

Regional Development Funding

Mrs. Ellman: To ask the President of the Board of Trade what is the allocation of Objective 1 Funding per head in Merseyside for the current funding period; and what is the average figure for all European Objective 1 areas. [38989]

Mrs. Beckett: Structural Funds allocations per head to Merseyside for the period 1994–99 amount to some 615 ecu (in 1998 prices), £410 using current exchange rates. The equivalent figure for all European Objective 1 areas is 1,170 ecu (£780).

European Business Round Table

Mr. Mitchell: To ask the President of the Board of Trade what recent representations she has received from the European Business Round Table. [39327]

Mrs. Beckett: None. But the Chairman of the ERT has been invited to a dinner I am hosting in Brussels on 6 May for EU Industry Ministers and representatives of EU Industry to discuss competitiveness. In addition, my noble Friend Lord Simon, the Minister for Trade and Competitiveness in Europe, will be speaking at their colloquium on Innovation and Competitiveness.

Grey Cloth Imports

Mr. Mitchell: To ask the President of the Board of Trade what representations she has received about the duty imposed by the European Commission on grey cloth imports; what steps she will take to enforce this duty; and what consultations she has had with the Commission on this matter. [39320]

Mrs. Beckett: I have received a number of representations from the UK textile industry and others about the provisional anti-dumping duty that the Commission, against the wishes of a clear majority of member States, has decided to impose on imports of grey cloth. When consulted by the Commission, we made clear our firm opposition to such a step, which we believe to be against the interests of both the Community textile industry and EU consumers and will cost jobs. Collection of the duty is a matter for HM Customs and Excise.

Overseas Trade Board

Mr. Sheerman: To ask the President of the Board of Trade what contribution her Department made to the budget of the Overseas Trade Board in the last financial year. [38880]

Mrs. Beckett: My Department's expenditure on the British Overseas Trade Board during financial year 1997/98 was £229,000. This includes the salary of Sir Martin Laing CBE, Chairman of the BOTB, and the cost of visits both in the UK and overseas by Sir Martin and by the Vice-Chairman, HRH The Duke of Kent.

National Engineering Laboratory

Mr. Sheerman: To ask the President of the Board of Trade what is the present value of her Department's contracts with the National Engineering Laboratory. [38876]

Mr. Battle: The Department currently has contracts with the National Engineering Laboratory which, over financial years 1998/99, 1999/2000 and 2000/01, have a total outstanding value of £10.6 million.

Ex Gratia Payments

Mr. Wills: To ask the President of the Board of Trade how many ex gratia payments have been made by her Department to individuals or organisations in each of the last three years. [39425]

Mr. Ian McCartney: The number of ex gratia payments made by the Department of Trade and Industry is as follows:

Financial year	*Individuals*	*Organisations*
1994–95	71	8
1995–96	51	10
1996–97	41	12

Details of payments made in financial year 1997–98 will be made available on publication of the Department's Appropriation Accounts in the autumn.

HOUSE OF COMMONS

Uniformed Police

Mr. Baker: To ask the President of the Council what is the establishment of uniformed police officers assigned to Parliament; and what was the cost of this for 1997–98. [39728]

Mrs. Ann Taylor: It is not the practice to state the numerical strength of the Parliamentary Security Force. However, the security costs for the House of Commons for the year 1997–98 were £12.64 million.

Opposition Parties (Benefits)

Mr. Tyler: To ask the President of the Council if she will list the benefits and the monetary value of benefits granted to each opposition party, including details for both Houses of Parliament and both Short Money funding and other allocations, with special reference to *(a)* salaries of the Official Opposition Leader and whips, *(b)* salaries and costs of civil servants attached to the Official Opposition Whips' Office, *(c)* the provision of a car and driver to the Leader of the Opposition and *(d)* the supply of newspapers and other services to the Official Opposition Whips' Office for (i) 1996–97, (ii) 1997–98 and (iii) 1998–99. [38950]

Mrs. Ann Taylor *[pursuant to the reply, 24 April 1998, c. 725]:* The financial assistance to Opposition Parties in the House of Lords are as follows:

		£		£
1996–97	Labour	50,000	Liberal Democrats	15,000
1997–98	Conservative	102,600	Liberal Democrats	30,780
1998–99	Conservative	106,191	Liberal Democrats	31,857

AGRICULTURE, FISHERIES AND FOOD

Pesticide Residues

Mr. Ben Chapman: To ask the Minister of Agriculture, Fisheries and Food if the review of the arrangements for reporting surveys on pesticide residues in food has been completed; and if he will make a statement. [40011]

Mr. Rooker: The Government are committed to informing the public about all food safety matters. Following the changes announced last year, and the new arrangements announced for veterinary drug surveys on 6 April 1998, I have now agreed to further improvements in the reporting of surveillance results for pesticide residues surveys. To continue to improve openness and information to consumers, the brand names of products tested in future pesticide residue surveillance exercises will, subject to some minor exceptions, be published on a regular basis.

The UK has in place a pesticide residues surveillance programme to fulfil its Community obligations to monitor pesticide residues in fruit and vegetables, cereals and products of animal origin. This programme is undertaken each year under the auspices of the Working Party on Pesticide Residues. The results are published in the Working Party's annual report although any results of public interest are published earlier together with any necessary advice to consumers.

The publication of brand names will require some restructuring of the pesticides surveillance programme to ensure that surveys are representative of particular produce on the market. The new arrangements will, therefore, apply for surveys conducted from 1998 onwards. As with the other programmes there will be certain minor exceptions, such as surveys whose sample are pooled, where publicising brand information would be inappropriate.

Planned surveys for residues of pesticides will continue to be announced in advance, as has been practice for some years. However, the sheer scale of this programme precludes releasing the brands to be sampled in advance.

We are committed to giving consumers the maximum possible information on the presence of pesticide residues in food and will ensure that this is provided with appropriate advice on the public health significance of any results. Of course, we will make every effort to ensure the fairness of any tests and not seek to select one manufacturer or source over another. I believe the new arrangements will allow consumers to make a more informed choice about the food that they buy.

Organophosphate Pesticides

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food if all the proposals relating to the use of organophosphate pesticides, announced by the Minister of Agriculture, Fisheries and Food on 17 February 1997 have been implemented. [39651]

Mr. Rooker: Following a review of the Certificate of Competence Scheme for the purchase of organophosphorus (OP) sheep dips in February 1997, the Veterinary Products Committee (VPC) concluded that the marketing of OP sheep dips should continue. A revised guidance leaflet, AS 29 *Sheep dipping*, produced jointly with the Health and Safety Executive and the environment agencies, emphasises the importance of the Certificate of Competence Scheme for the users of dips. The leaflet has been sent to known sheep farmers.

The Royal College of Veterinary Surgeons has agreed to ensure that veterinarians are aware that clients hold the necessary certificate and will amend the Guide to Professional Conduct when next reprinting it.

There is no change in the legal classification of sheep dips, which continue to be available from pharmacists and registered merchants.

The VPC is currently reviewing the labelling of sheep dips with a view to simplifying labels where possible.

The Department of the Environment, Transport and the Regions has circulated proposals for new Groundwater Regulations which would require the environment agencies to be notified of sheep dipping activities and would apply new controls on disposal of spent dip.

Research is underway to look at the nature and mechanisms of the toxicity of OPs. The Health and Safety Executive is conducting work on the measurement of urinary metabolites and on new forms of protective clothing. We are awaiting a report from a working party of the Royal College of Physicians of London and the Royal Colleges of Psychiatrists which will include advice on how clinical studies might be undertaken.

A review by the VPC of non-OP sheep dips has been completed and the results were published with the Government's response on 29 January 1998. Legislation, which comes into effect on 6 May, will apply the certification Scheme to the purchase of all sheep dips from 31 December 1998.

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food when he expects to publish the report of the inter-departmental committee on organophosphate pesticides. [39653]

Mr. Rooker: The report of the interdepartmental committee of officials on organophosphates (OPs) has been submitted to Ministers in the group chaired by my right hon. Friend. It will be published when Ministers have considered its recommendations and reached their conclusions.

Beef Sales (Retail Profits)

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food what representations he has received following the March 1998 inquiry by the BBC Radio 4 programme, "Farming Today", into retail profits on beef sales; and if he will make a statement. [39652]

Mr. Rooker: Although we have had representations from beef producers, who consider that the fall in producer prices has not been reflected in retail prices for beef, no one has raised specific concerns about the inquiry by the BBC Radio 4 programme, "Farming Today". We will continue to monitor movements in beef producer prices and in meat prices at retail level.

Russian Fish Imports

Mr. Mitchell: To ask the Minister of Agriculture, Fisheries and Food what representations he has received in respect of Denmark's policy towards imports of Russian fish from unregistered freezer trawlers; and what is his Department's policy towards such imports. [39319]

Mr. Rooker: I have received a small number of representations alleging that Denmark has allowed imports of Russian fish from unregistered freezer trawlers in contravention of a European Commission Decision. In view of this substantiated allegation, uncertainty over the operation of the Decision by other Member States, and following discussions with the European Commission, we have recently decided to allow imports of Russian fish from unregistered freezer trawlers. This has been done as an interim measure, with enhanced checks at UK ports, until the European Commission can propose a satisfactory solution.

WALES

Beef Exports

Mr. Barry Jones: To ask the Secretary of State for Wales when he expects the restriction on the export of Welsh beef to be lifted; and if he will make a statement. [39278]

Mr. Win Griffiths: We are doing everything possible to bring about the resumption of our exports from the UK as a whole. On 16 March the Agriculture Council adopted a Decision which would lift the export ban from beef from export certified herds in Northern Ireland.

The Export Certified Herd Scheme is available only to animals whose history can be traced by computer—so it is only applicable in Northern Ireland initially, until the GB Cattle tracing system is fully functional.

Proposals for a UK Date Based Export Scheme for the export of animals born after 1 August 1996 (when we believe the feed risk was eliminated from the supply chain) have been considered by the Scientific Steering Committee (SSC), which gave a positive Opinion. The SSC commented on our formal response to their initial Opinion in a further Opinion on 20 February. We await reaction from the Commission to the UK response and to the SSC's further Opinion

Council House Sales Receipts

Mr. Barry Jones: To ask the Secretary of State for Wales what is the extra amount of council house sales receipts made available for the current and the next financial year; and if he will make a statement. [39279]

Mr. Win Griffiths: Provision of £33.38 million has been made under the Capital Receipts Initiative this year. Capital expenditure provision in future years is being considered in the Comprehensive Spending Review.

Bovine TB

Mr. Barry Jones: To ask the Secretary of State for Wales (1) how many cases of bovine TB were recorded in Wales in each of the last three years; and if he will make a statement; [39434]

(2) if he will make a statement on bovine TB in Wales. [39433]

Mr. Win Griffiths: The number of confirmed outbreaks of bovine TB in Wales is as follows:

1995: 102
1996: 102
1997: 62.

The Government are minded to accept Professor Krebs' recommendation. Implementing this report will require the Government, the farming industry and those interested in badger conservation to work together to build a better scientific basis for policy in this area.

NHS Bureaucracy

Mr. Barry Jones: To ask the Secretary of State for Wales what estimate he has made of the savings to date from his policy of reducing bureaucracy in the NHS; and if he will make a statement. [39438]

Mr. Win Griffiths: I refer my hon. Friend to the answer I gave him on 17 December 1997, *Official Report*, column *209*. I can confirm that I expect to be able to establish what savings have been made when the audited accounts of health authorities and trusts for 1997–98 are available in August.

Chernobyl Accident

Mr. Llew Smith: To ask the Secretary of State for Wales what estimate he has made of the cost to *(a)* Welsh farmers and *(b)* his Department of the radioactive fall-out from the Chernobyl accident; and what are the figures for each year since the accident for the area determined as restricted in Wales as a result of the accident. [39674]

Mr. Win Griffiths: The main economic effect of the Chernobyl accident in 1986 has been on the sheep farming industry in North Wales. The direct cost to Welsh farmers,

measured in terms of disruption to their enterprises and for which compensation has been paid since 1986, is over £8.9 million. Information on the specific costs to the Welsh Office arising from the Chernobyl accident is not available because staff and effort allocated to this work varies according to the circumstances.

Figures for each year of the area determined as restricted in Wales as a consequence of the accident are as follows:

Year	*Restricted area (square kilometres)*
1986	4,100
October 1986–December 1990	848
1991	839
1992	832
1993	734
1994	677
1995	647
1996	580
1997	580
1998	530

Millennium Compliance

Mrs. Gillan: To ask the Secretary of State for Wales if the computer systems used by the emergency services in Wales will be millennium compliant by 31 December 1998. [39895]

Mr. Win Griffiths: I refer the hon. Member to the answer given to her today by my right hon. Friend the Home Secretary who has responsibility for some of the emergency services on an England and Wales basis. I will reply on the NHS Ambulance Trust and acute trusts in Wales.

The Ambulance Trust and acute trusts providing accident and emergency services, in line with other NHS organisations, are making every effort to ensure their computer systems are millennium compliant by 31 December 1998. In particular, ambulance command and control systems have been given a very high priority in determining their compliance status and in undertaking the necessary replacements or upgrades. However, in some cases, it may not be possible to complete the latter until the first quarter of 1999.

Quarries

Dr. Marek: To ask the Secretary of State for Wales what plans he has to reform planning law relating to quarries and quarrying. [39357]

Mr. Win Griffiths: My right hon. Friend and I currently have no plans to reform planning law relating to quarries and quarrying in Wales.

INTERNATIONAL DEVELOPMENT

Global Environment Conference

Sir Alastair Goodlad: To ask the Secretary of State for International Development who will represent her Department at the Global Environment Conference in New Delhi; what new initiatives will be proposed; and if she will make a statement. [39577]

Mr. Foulkes: The first Global Environment Facility (GEF) Assembly took place from 1–3 April in New Delhi. It was preceded by a meeting of the GEF Council which formally concluded the second replenishment of the Facility of US dollars 2.75 billion and endorsed policy recommendations to improve further GEF activities.

The policy recommendations cover: improved country ownership of GEF financed projects; better mainstreaming of global environmental objectives into the regular policies and programmes of the three Implementing Agencies, UNEP, UNDP and the World Bank; better involvement of the private sector and partnerships with them; enhanced monitoring and evaluation and the development of performance indicators; greater participation by other international and regional organisations, including the Regional Development Banks; further clarification of the application of incremental costs, that is, the costs to achieve global, as opposed to national, environmental benefits which the GEF is designed to meet.

The UK has committed £85.25 million to the second replenishment, being the UK's full share of the replenishment plus an additional voluntary contribution of £2 million. The UK has offered to provide a further £4.25 million during the replenishment period to help fill the replenishment funding gap of some US$70 million if other donors make additional efforts to meet their shares. The UK is the fifth largest contributor to the Facility.

DFID was represented at the Assembly by the head of Environment Policy Department (EPD) and other officials from EPD, the UK Mission to the World Bank and DFID's office in India. The British High Commissioner and a DETR official also participated.

Representatives from 119 of the GEF's 164 countries were represented in the Assembly which was opened by the Indian Prime Minister and concluded with the New Delhi Statement. This reaffirmed the Facility's role as the multilateral funding mechanism dedicated to promoting global environmental protection and actions to improve the Facility's operations. Copies of the New Delhi Statement are being placed in the Libraries of the House.

Departmental Management

Sir Alastair Goodlad: To ask the Secretary of State for International Development what operational and management improvements her Department will implement during the current financial year. [39749]

Mr. Foulkes: On the operational and aid management side, improvements will include: refocusing bilateral and multilateral strategies on White Paper objectives; further promotion of consistency of policies affecting development; improved aid management arrangements for Asia, Pacific and Caribbean programmes; enhancement of our systems for performance assessments; development of closer partnerships with the private sector and not for profit organisations; improvement of procedures and systems for aid delivery.

On the personnel management side a range of initiatives will be carried forward, many of which are linked to my Department's commitment to achieve

Investor in People accreditation. These will include: action to ensure that the Department is properly staffed and trained, at home and overseas, to meet the objectives set out in the White Paper; the introduction of management development programmes for all senior civil service members and other staff groups; comprehensive induction training; improvements to promotion systems; initiatives to enhance communication within the Department; ongoing action to underline and ensure fair and equal opportunities within the Department; the transfer of certain posts to the Department's office in East Kilbride to improve staff opportunities there; action to improve the development of DFID's locally engaged staff overseas; an ongoing programme to ensure value for money, proper structures and best management practice within the Department through management and efficiency reviews.

Sir Alastair Goodlad: To ask the Secretary of State for International Development in which departments and development divisions of her Department the Performance Reporting Information Systems for Management will be piloted in 1998–99. [39761]

Mr. Foulkes: The Performance Reporting Information Systems for Management system will be piloted in West and North Africa Department in London and in the Department for International Development overseas offices for Southern and Eastern Africa, located in Pretoria and Nairobi respectively.

Committee on Economic and Social Research Overseas

Sir Alastair Goodlad: To ask the Secretary of State for International Development who are the current members of her Department's Advisory Committee on Economic and Social Research Overseas; and when were they first appointed. [39746]

Mr. Foulkes: The current members of the Advisory Committee on Economic and Social Research Overseas with the dates they were appointed are:

Member	*Date of appointment*
Professor Graham Chapman	1 October 1993
Professor Tony Killick	1 February 1994
Dr. George Kolankiewicz	15 June 1994
Professor Pat Caplan	1 April 1998
Professor Anne Booth	1 April 1998
Professor Jan William Gunning	1 April 1998
Ms Caroline Harper	1 April 1998
Professor Athar Hussein	1 April 1998
Professor Carole Rakodi	1 April 1998
Professor David Hulme	1 April 1998
Dr. Frank Ellis	1 April 1998
Professor Anil Markandya	1 April 1998

Publications

Sir Alastair Goodlad: To ask the Secretary of State for International Development if she will list the material issued by her Department *(a)* through its own publications and *(b)* through The Stationery Office and the parliamentary publishing programme in 1997–98. [39873]

Mr. Foulkes: The following material was issued through the Department for International Development's (DFID) own publications programme in the financial year 1997–98:

White Paper Summary

Eliminating World Poverty: A Summary—24 pages.

Versions also available in Bengali, Gujarati, Hindi, Punjabi, Urdu, Chinese.

Country Strategies

British aid to Ecuador: Working to improve the quality of life for Ecuadorean people—24 pages.

Development Partners: Britain and Pakistan—14 pages.

Support for Transition Countries: A new strategy—16 pages.

Issues

Developments: The International Development magazine (issue 1 first quarter 1998)—36 pages.

UK@earth.People: Poverty and the Environment—64 pages.

Forests Matter: The DFID approach to forests—5 pages.

Time for Action: Reducing the dangers of pregnancy in poor societies—18 pages.

Banking on the Poor: DFID and Microfinance—16 pages.

Towards 2015 Together: How the UK will use its Presidency of the European Union to work for a fairer world—4 pages.

Water Matters: DFID's role in water for development—5 pages.

Participatory monitoring and evaluation guidelines: experiences in the field—St. Vincent and the Grenadines.

Better water services in developing countries: public-private partnership—the way ahead—13 pages.

Six monthly newsletters on Water, Energy Efficiency, Urbanisation, Transport and Earthworks—8 to 12 pages.

Reports

Gender and school achievement in the Caribbean (serial no. 21)—126 pages.

Good practice in developing sustainable information systems—74 pages.

Integrated Coastal Management: South Asia—95 pages.

The Know How Fund: Annual Report 1996–97—51 pages.

British Aid Statistics 1996–97—144 pages.

School based understanding of human rights in four countries: a commonwealth study (serial no. 22)—62 pages.

Girls and basic education: a cultural enquiry (serial no. 23)—160 pages.

Investigating bilingual literacy: evidence from Malawi and Zambia (serial no. 24)—99 pages.

Activity in environmental management in Chile: donor agencies, non-governmental organisations and research organisations—54 pages (English/Spanish).

A guide to the regional environmental action plan for the Antofagasta region of Chile—56 pages English/Spanish).

Social development policies, results and learning: experiences from European agencies—34 pages.

Social development policies, results and learning: a multi agency review—71 pages.

Human Rights 1998—56 pages. Issued through The Stationery Office and published jointly with the Foreign Office.

Eliminating World Poverty: a challenge for the 21st Century (White Paper on International Development presented to Parliament by the Secretary of State for International Development by Command of Her Majesty November 1997 Cm 3789).

DFID Departmental Report 1998–99: the Government's expenditure plans 1998–99—93 pages.

Projects

Sir Alastair Goodlad: To ask the Secretary of State for International Development if she will list those projects funded by her Department which were the subject of full retrospective impact evaluations in 1997–98; and when she will publish the results. [39760]

Mr. Foulkes: Projects subject to full retrospective impact evaluations in 1997–98 included the following:

Sector	*Project*	*Publication*
Privatisation:	Assistance to components of the Russian privatisation programme	Already published
Population:	Kenya Population III project	Already published
Higher Education:	Final Synthesis Study	Already published
Emergency Aid:	Final Synthesis Study	Already published
Primary Education:	Primary Education Project in Kenya	Due for publication in June 1998
	Indonesia Active Learning and Professional Support Project	Publication date June 1998
	Andhra Pradesh Primary Education Project	Publication date October 1998
	Final Synthesis Study	Publication date October 1998
Small Enterprise Development	British Assistance to Small Enterprises Programme in Kenya: Enterprise Education in Slovakia; Russian Agency; and Bangladesh Rural Advancement Committee	All are due for publication around July 1998
Police Projects	Assistance programmes to Namibia, Indonesia and Uganda	All are due for publication around July 1998

Sir Alastair Goodlad: To ask the Secretary of State for International Development how many copies of reports by her Department's Evaluating Department on Project Completion were requested by outside bodies in 1997–98. [39758]

Mr. Foulkes: The Evaluation Department very seldom receives external requests for individual Department for International Development Project Completion Reports, none of which is publicly available since, unlike *ex post* evaluation reports, they are not cleared with the recipient governments. But we do make publicly available our periodic synthesis analyses of the broad findings of the most recent batches of Project Completion Reports. In 1997–98 a total of 158 copies of our *ex post* evaluation reports were sent out in response to external requests.

Sir Alastair Goodlad: To ask the Secretary of State for International Development which projects funded by her Department will be subject to full retrospective impact evaluations in 1998–99. [39762]

Mr. Foulkes: We are still in the process of identifying individual projects for full retrospective impact evaluation in 1998–99 once residual work on the previous programme is complete. Initially the new work will focus predominantly on two broad themes: sustainable rural livelihoods; and the strengthening of revenue collection systems. Subsequently we shall turn our attention to three additional themes: gender; the public sector and the role of the state; and participatory approaches. Work from the previous programme due for completion and publication in 1998–99 includes the following:

Natural Resources Research: final Synthesis Study.

Small Enterprise Development: final Synthesis Study.

Police Projects: final Synthesis Study.

Environment: country studies covering a range of projects in India, China, Brazil, Kenya and Tanzania; and final Synthesis Study.

Poverty Reduction: country studies covering a range of projects in India, Uganda, Zambia, and Mozambique; and the final Synthesis Study.

Gender Discrimination

Sir Alastair Goodlad: To ask the Secretary of State for International Development in which countries her Department launched new women's empowerment programmes in 1997–98; and at what cost. [39449]

Mr. Foulkes: During 1997–98 we approved 124 projects and programmes which include support to women's empowerment, spread across the broad range of developing countries where we work. New spending commitments to projects and programmes, across all sectors, which take account of women's concerns, added up to £266 million in 1997–98.

Sir Alastair Goodlad: To ask the Secretary of State for International Development which initiatives relating to women's empowerment her Department is supporting in the current financial year; and at what cost to public funds. [39447]

Mr. Foulkes: We seek to support women's empowerment across the board in our international development assistance programme. The Department for International Development expenditure commitments which include an explicit consideration of gender concerns and which seek to promote gender equality have been steadily rising, a trend which we expect to continue. During 1997–98 new funding commitments across all sectors explicitly taking account of gender concerns add up to about £266 million, representing more than 35% of total bilateral commitments for the year.

Sir Alastair Goodlad: To ask the Secretary of State for International Development what mechanisms her Department will employ to evaluate its work in respect of the removal of gender discrimination in developing and transitional countries; and if she will publish such evaluations. [39448]

Mr. Foulkes: A major evaluation study of our work in tackling gender discrimination will be undertaken by the Department for International Development's (DFID) Evaluation Department, commencing during the course of the current financial year. A report of the evaluation will be published.

Sir Alastair Goodlad: To ask the Secretary of State for International Development when she will publish the study on the gender dimensions to international trade commissioned by her Department. [39451]

Mr. Foulkes: The study commissioned by the Department entitled "Global trade expansion and liberalisation: gender issues and impacts" was published in January this year. I will arrange for a copy to be laid in the Library of the House and for a separate copy to be sent to the right hon. Gentleman.

Afghanistan

Sir Alastair Goodlad: To ask the Secretary of State for International Development what measures her Department is taking to increase access education for girls in Afghanistan. [39450]

Mr. Foulkes: We remain seriously concerned about human rights in Afghanistan, especially the rights of women and girls. The UK continues to advocate respect for these rights in the relevant international fora and in direct contacts with the Taliban and other groups inside Afghanistan.

At the start of our EU Presidency the UK proposed and gained agreement for a new Common Position on Afghanistan. The Common Position commits the EU to work for the protection and promotion of equal rights for men and women in Afghanistan, including access to education and health facilities. In addition the United Nations Strategic Framework for Afghanistan, which has the full support of the UK, includes as one of its four main strategies the protection and advancement of human rights, with particular emphasis on gender issues.

DFID directly supports a number of UK NGOs who provide education services within Afghanistan. The projects are aimed at both boys and girls but pay particular attention to providing education for female students. The details are:

NGO	*Project*	*1996–97*	*1997–98*
Support for Afghan Education (SAFE)	Kandahar Education Project	£34,808	—
Save the Children (SCF)	Support to Lower Primary Education, Balkh Province	—	£245,000 (over 2 years)
CARE	Community Organisation for Primary Education	—	£316,356 (over 2 years)

Fresh Water Management

Sir Alastair Goodlad: To ask the Secretary of State for International Development who will represent her Department at the UN's Commission on Sustainable Development meeting on freshwater management; and what new policy initiatives her Department will promote. [39453]

Mr. Foulkes: The UK delegation to the Commission on Sustainable Development (CSD) will be led by my colleague the Minister for the Environment. He will be accompanied by the Department for International Development's (DFID) Chief Natural Resources Adviser who will provide support in relation to DFID issues.

A key theme of this year's session of the CSD, which began on 20 April in New York, is freshwater.

The UK will promote a clear objective of securing access to safe drinking water and adequate sanitation for all, the reduction of water related diseases and greater food security through sustainable management of water contributing to the elimination of poverty.

We are supporting this objective by increasing our assistance in the water sector and ensuring that this support is used more effectively. To this end, we are continuing to promote the importance of meeting international targets in this area and the need to develop appropriate indicators to monitor progress.

Official Development Assistance can meet part but not all of the funding requirements. It can be focused on priority areas of meeting basic human needs and building capacity. It can also be used to help developing states to establish appropriate policy frameworks and to mobilise finance from other sources.

We aim to encourage development of a broad range of partnerships, in particular with the private sector, which can better generate and manage the additional funds required. We recognise the importance of recovering all the costs for water systems to be viable and sustainable, but this must be linked to transparent and well targeted subsidies to protect the poorest who cannot pay full costs. This can lead to the mobilisation of resources and greater access to basic water and sanitation services for poor people—essential if we are to meet goals of universal access to these services.

Commonwealth of Independent States

Sir Alastair Goodlad: To ask the Secretary of State for International Development what assistance her Department is giving to the International Committee of the Red Cross in the Commonwealth of Independent States to disseminate international humanitarian law through local institutions; and what will be the cost to public funds of such assistance. [39446]

Mr. Foulkes: Since April 1996, we have supported the International Committee of the Red Cross (ICRC) in its development of international humanitarian law (IHL) materials appropriate for use in the Commonwealth of Independent States (CIS) and the promotion of IHL courses within public and private higher academic institutions in the Russian Federation and the CIS. The activities are continuing and has involved a commitment to date of £127,000.

We also provided a contribution of £15 million to the ICRC in February 1998, of which £4 million was provided specifically for the dissemination of humanitarian law within the ICRC's global programmes.

Children and Armed Conflict

Sir Alastair Goodlad: To ask the Secretary of State for International Development what financial support her Department will give to the UN Secretary General's Special Representative on Children and Armed Conflict; and in which countries it will work with him. [39452]

Mr. Foulkes: We provided £200,000 in January 1998 to enable the UN Secretary General's Special Representative on Children and Armed Conflict to begin his important work of co-ordinating international action to ensure the protection, healing and rehabilitation of war affected children. We will host a ministerial meeting in London on 23 June to give exposure to Mr. Otunnu's work programme and priorities to our European partners and NGOs. We will also explore opportunities for working together in countries which are particularly affected by children serving as soldiers, such as Sierra Leone and Liberia.

Human Rights

Sir Alastair Goodlad: To ask the Secretary of State for International Development what discussions she has held with her EC counterparts about regulations to guide the use of development funds for human rights promotion and protection; what will be the status of those regulations; and if she will make a statement. [39455]

Mr. Foulkes: Two regulations governing the use of development funds for human rights promotion and protection are currently under discussion at working group level in the Council. Once agreed, the Regulations will provide a legal base and policy framework for projects financed from relevant EC external assistance budget lines. We have been pressing for the inclusion of references to social and economic rights, as well as civil and political ones, in the negotiations.

Sir John Stanley: To ask the Secretary of State for International Development which aspects of the Government's human rights policy are her Department's responsibility. [39679]

Mr. Foulkes: The Department for International Development's contribution to the UK Government's objective of achieving human rights for all will be to focus on the rights which are essential for eliminating poverty and for achieving sustainable livelihoods and dignity for disadvantages people in poorer countries. This encompasses economic, social, cultural, civil and political rights of poor and disadvantaged peoples in poorer countries.

Regional Organisations

Sir Alastair Goodlad: To ask the Secretary of State for International Development what steps her Department is taking to strengthen the conflict-management capacity of regional organisations. [39445]

Mr. Foulkes: We are committed to supporting the creation of a stronger peace-building and conflict management capacity for regional organisations and are working within the European Union (EU) and United Nations to achieve this. The EU agreed a Common Position on Conflict Prevention and Resolution in Africa in 1997, and is pursuing practical proposals with the Organisation for African Unity (OAU) and working to enhance its dialogue with other sub-regional organisations such as the Intergovernmental Authority for Development (IGAD) and the Economic Community of West African States (ECOWAS).

In 1998 the Department is providing financial support for a sub-regional seminar for Central Africa on practical disarmament, the Mali Government's initiative of a West African moratorium on the import, export and manufacture of light weapons, and a conference in South Africa to develop national, regional and international measures to address illicit trafficking in conventional arms. We will continue to look for ways to provide practical support to regional conflict management initiatives.

Good Governance Assessment Framework

Sir Alastair Goodlad: To ask the Secretary of State for International Development if she will publish the Good Governance Assessment Framework. [39454]

Mr. Foulkes: I will place a copy in the Library of the House. Copies will continue to be available through the Department for International Development. The Framework should be regarded as work in progress and is being adapted to the Government's priorities.

Open Government

Sir Alastair Goodlad: To ask the Secretary of State for International Development what was the cost to her Department of meeting the 16 requests for information under the Open Government Code of Practice in 1997. [39748]

Mr. Foulkes: The cost of meeting the requests received by the Department for International Development in 1997 under the Open Government Code of Practice is estimated at £630. This is made up principally of staff time.

Departmental Reviews

Sir Alastair Goodlad: To ask the Secretary of State for International Development what market tests and efficiency reviews she plans for her Department in the current financial year. [39750]

Mr. Foulkes: The Department's programme of efficiency reviews for 1998–99 comprises: training services; personnel services; aid management in Asia, the Caribbean and the Pacific. There are no plans for market tests.

Policy Information Marker System

Sir Alastair Goodlad: To ask the Secretary of State for International Development what changes to the policy information marker system her Department is putting into effect in the current financial year. [39759]

Mr. Foulkes: The Policy Information Marker System (PIMS) has been used since 1993 to track the targeting of bilateral commitments and expenditure on priority policy objectives of the aid programme.

PIMS was reviewed at the end of 1997 following the publication of the White Paper on International Development. It was agreed that the system needed to be revised to reflect better the Department for International Development's (DFID) new agenda and Statement of

Purpose. This has been achieved through the introduction of a three-tiered approach whereby projects and programmes are marked against DFID's aim of poverty elimination (Poverty Aim Marker); DFID's three new Objectives (Policy Objective Marker); sub-elements of the Objectives, other policy areas and international reporting requirements (new PIMS markers of which there are now 33).

The former Direct Assistance to Poor People marker has been replaced by the over-arching Poverty Aim Marker (PAM) to address the aim in DFID's Statement of Purpose, considering both "direct" and "indirect" means of assisting poverty elimination. The PAM has three categories:

Enabling—actions which are necessary to establish or strengthen the preconditions for poverty reduction and elimination

Inclusive—broad based actions which will improve conditions and services generally, and also address issues of equity and barriers to participation of poor people

Focused—actions which will bring benefits predominantly to poor people and specifically improve their conditions and remove barriers to their participation.

The Policy Objective Marker allows commitments and expenditure to be scored against the ONE Objective which they primarily target such that they sum to 100 per cent. of the total.

The PIMS marker set has been extended to cover all of the White Paper sub-objectives (20 markers), other important and cross-cutting policy areas (8 markers) and the Rio reporting requirements (5 markers).

The new system came into effect on 1 April 1998.

Further details and full guidance on using the system are given in the PIMS Pink Book, a copy of which will be sent to the right hon. Gentleman.

Investment

Sir Alastair Goodlad: To ask the Secretary of State for International Development what representations she plans to make to the OECD in connection with its forthcoming review of the OECD Guidelines on Multinational Investment; and if she will make a statement. [39342]

Mr. Foulkes: The OECD has asked member countries to put forward initial thoughts on issues that might be addressed in the review of the Guidelines. The Government's initial thoughts were submitted to the OECD in December. Our key areas of interest relate to the core labour standards, environmental protection and application of the Guidelines beyond OECD member countries. In particular, the Department is currently looking at the experience of voluntary codes of conduct. The Government are working on a more detailed contribution, consulting with trade unions, business and NGOs, in readiness for the beginning of the review process in June.

Sir Alastair Goodlad: To ask the Secretary of State for International Development what representations she has made to the World Trade Organisation preparatory to a WTO Agreement on Investment; and if she will make a statement. [39355]

Mr. Foulkes: The Government are pleased with the progress being made by the WTO Working Group on the relationship between trade and investment, which is looking at important issues surrounding foreign investment and existing international investment instruments and activities. We will work towards the eventual establishment of a WTO agreement on investment, and hope that through the confidence-building nature of the current discussions a consensus can be reached to begin negotiations in due course.

MINISTER WITHOUT PORTFOLIO

Millennium Dome

Mr. Vaz: To ask the Minister without Portfolio what assessment he has made of the total economic impact of the Millennium Dome on the greater Greenwich area. [37246]

Mr. Mandelson: I refer my hon. Friend to the answer I gave to my hon. Friend the Member for Chorley (Mr. Hoyle) on 27 March 1998, *Official Report*, column *321*. In addition the British Tourist Authority (BTA) have estimated £300m-500m will be spent by overseas visitors in Britain in the year 2000 as a result of the New Millennium Experience.

SCOTLAND

Rented Housing

Mr. Webb: To ask the Secretary of State for Scotland, pursuant to the answer of 27 October 1997, *Official Report*, column *726*, on rented housing, what would be the gross cost to the public sector if all local authority rents in Scotland were to be cut by 10 per cent; and what would be the cost net of savings in housing benefits. [37199]

Mr. Macdonald *[holding answer 6 April 1998]:* Scottish local authorities determine their rents according to local needs and circumstances. In England, guideline rents are set by the Department of the Environment, Transport and the Regions and, in certain circumstances, rental income is used to offset the cost of rent rebates. Because of these and other differences in the systems of local authority housing finance, it is not possible to give estimates for Scotland which are directly comparable with those for England given on 27 October 1997, *Official Report*, column *726*.

A 10 per cent. reduction in Scottish local authorities estimated rented income for 1997–98 would, however, have resulted in an estimated reduction in housing benefit in that year of around £79 million. And local authorities' housing expenditure in the same year would have been reduced by £107 million. As a result, authorities would have had this amount less to invest in repairs and maintenance and for other housing related expenditure. That, in turn, could have led to an increase in Housing Support Grant and pressure also to increase Housing Revenue Account allocations, although it is not possible to be precise about the size of such increases. The net effect on overall public expenditure cannot therefore be reliably estimated.

Cairngorm Funicular Railway

Mr. Randall: To ask the Secretary of State for Scotland how much expenditure was incurred by Highlands and Islands Enterprise and Moray, Badenoch, and Strathspey Enterprise to support the Cairngorm Chairlift Company's study by Arthur Andersen and L & R Leisure of development options; and if he will ask them to publish it. [39418]

Mr. Wilson: The level of the financial contributions made by Highlands and Island Enterprise and by Moray Bedenoch and Strathspey Enterprise to the costs of the study referred to in the question is an operational matter for Highlands and Islands Enterprise. I will ask the Chairman of that organisation to write to the hon. Member.

With regard to the publication of the study, I understand that it was commissioned by the Cairngorm Chairlift Company. Decisions on publication are therefore a matter for that company.

Dental Services

Mrs. Ballard: To ask the Secretary of State for Scotland how many applications received for funding under the Investing in Dentistry Scotland scheme have been successful; and what was the amount of each grant. [39694]

Mr. Galbraith: Eight applications have been approved under the Scottish Dental Access Initiative. Three grants of £50,000, four of £25,000 and one of £4,000 have been offered.

Local Government Finance

Mr. Gorrie: To ask the Secretary of State for Scotland what were the totals for Scottish councils collectively in 1998–99 and in each of the last 10 years for *(a)* grant-aided expenditure, *(b)* aggregate external finance and *(c)* actual expenditure, or budgeted expenditure where the actual expenditure is not yet known; and what were the totals expressed at constant prices. [38157]

Mr. Macdonald *[holding answer 21 April 1998]:* The levels of GAE, AEF and actual spending for 1998–99 and each of the previous 10 years, where available, in cash terms are given in the table.

£ million

Year	*Total GAE*	*Total AEF*	*Total capped expenditure*
1988–89	3,640	3,689	3,742
1989–90	3,873	3,716	4,126
1990–91	4,293	3,937	4,495
1991–92	4,792	4,651	4,912
1992–93	5,103	5,123	5,166
1993–94	5,086	5,165	5,133
1994–95	5,260	5,272	5,309
1995–96	5,318	5,306	5,437
1996–97	5,391	5,369	5,616
1997–98	5,316	5,345	5,579
1998–99	5,495	5,366	5,755

The same figures at constant (1997–98) prices are as follows:

£ million

Year	*Total GAE*	*Total AEF*	*Total capped expenditure*
1988–89	5,291	5,362	5,439
1989–90	5,262	5,049	5,606
1990–91	5,400	4,953	5,655
1991–92	5,666	5,500	5,808
1992–93	5,791	5,814	5,863
1993–94	5,609	5,696	5,661
1994–95	5,715	5,728	5,768
1995–96	5,622	5,609	5,747
1996–97	5,537	5,514	5,768
1997–98	5,316	5,345	5,579
1998–99	5,340	5,215	5,593

Notes:

1. The above AEF figures are as announced and do not include any subsequent redeterminations. In particular, the 1998–99 figures for GAE and AEF do not include the additional £19 million for education authorities announced in the March Budget.
2. No adjustments have been made for changes in local authority responsibility over the period in question apart from Note 3 below.
3. The 1997–98 AEF figure includes £105.6 million which was paid to local authorities as a special grant (outside AEF) in respect of Strathclyde Passenger Transport. £95 million has also been included in the 1998–99 AEF figure for the same purpose.
4. Grand Aided Expenditure (GAE) does not include expenditure on loan and leasing charges.
5. Prior to 1991 Grant Aided Expenditure (GAE) was known as Assessments of Relative Expenditure Need.
6. Prior to 1991–92 Aggregate External Finance (AEF) was known as Aggregate Exchequer Grant.
7. Aggregate Exchequer Grant consisted of Rate Support Grant and Specific Grants only. The Non-Domestic Rate Income (NDRI) figures have therefore been added to these years for comparison purposes.
8. The total capped expenditure figures represent total relevant non-housing net current expenditure (excluding loan and leasing charges). For the years 1988–89 to 1997–98 the figures are actual budgeted expenditure figures. For 1998–99 the figure is the maximum capped expenditure permitted under the Secretary of State's capping principles.
9. The numbers in the second table have all been converted to 1997–98 prices using the latest HM Treasury's GDP deflators dated 13 March 1998.

Nuclear Waste

Ms Roseanna Cunningham: To ask the Secretary of State for Scotland what discussions he has had with the Prime Minister regarding the transfer of radioactive material from Georgia to Dounreay; what is his policy on *(a)* public consultation and *(b)* public information with regard to the importing of radioactive material into Dounreay; and if he will make a statement. [39916]

Mr. Macdonald: The normal process of consultation by exchanges of minutes among appropriate Cabinet Ministers took place.

Policy on public consultation and information on the importing of radioactive material into the UK is a matter for my right hon. Friend the President of the Board of Trade. I understand that in the interests of security no prior notice is given about such movements of radioactive material. However once such movements have been completed there is no such restriction. Details of this particular movement were confirmed in the answer given to my hon. Friend the Member for Dartford (Dr. Stoate) on 24 April 1998, *Official Report*, column *721*.

A summary of all of Dounreay's activities is presented to the local liaison committee which meets twice a year. These meetings are open to the public. All activities at Dounreay are subject to strict independent regulation by the Nuclear Installations Inspectorate and the Scottish Environment Protection Agency.

Special Advisers

Dr. Fox: To ask the Secretary of State for Scotland what is the total annual cost of employing special advisers in his Department. [39882]

Mr. Dewar: Aggregate salary costs of Special Advisers in individual Departments are not provided in order to protect the privacy of the individuals concerned.

Dr. Fox: To ask the Secretary of State for Scotland what is the annual cost of employing Mr. David Whitton as a special adviser in his Department. [39881]

Mr. Dewar: Special Advisers are paid within a range of £24,349 to £73,484. Their salaries are negotiated individually and are confidential within this range. Details are not revealed in order to protect the privacy of the individual concerned.

Nurses

Mr. Moore: To ask the Secretary of State for Scotland how many vacant NHS posts for qualified nurses there were in Scotland by health board as at 31 March. [39657]

Mr. Galbraith: The information available centrally is shown in the table.

Qualified nursing staff vacancies[1] by health board area and qualification whole time equivalent: at 31 March 1997

	Total	*Registered*	*Vacancies Enrolled*
Total	1,225	1,108	117
Ayrshire & Arran	31	29	3
Borders	6	6	—
Argyll & Clyde	128	118	11
State Hospital	1	1	—
Fife	20	19	1
Greater Glasgow	316	295	22
Highland	34	32	1
Lanarkshire	58	52	6
Grampian	103	100	3
Orkney	1	—	1
Lothian	288	276	13
Tayside	75	50	25
Forth Valley	134	103	31
Western Isles	5	5	0
Dumfries & Galloway	19	19	—
Shetland	7	7	—

[1] The vacancy figures relate to vacant posts at 31 March, irrespective of when the vacancy arose.

Source:
ISD(M)36, ISD Scotland

Scottish Business Forum

Mr. Moore: To ask the Secretary of State for Scotland what are the terms of reference for the Government's Scottish Business Forum announced by the Chancellor of the Exchequer on 14 April; and what selection criteria will be used to determine who will be appointed to the Forum. [39659]

Mr. Dewar: The Scottish Business Forum has been established to enable a regular exchange of views between the Scottish business community and Government. It will provide direct access for its members to Treasury Ministers who will attend meetings of the Forum as a matter of course. I have made appointments to the Forum on a personal basis, in consultation with the Chancellor of the Exchequer. A copy of the press notice which announced the appointment of members has been placed in the House library.

Hospital Medical Staff

Mr. Moore: To ask the Secretary of State for Scotland how many vacant NHS posts for hospital medical staff there were in Scotland by health board as at 31 March. [39656]

Mr. Galbraith: Provisional figures were given to the hon. Member in reply to his written question of 16 December 1997, *Official Report*, columns *100–01*. These figures have now been finalised and are provided in the table.

Hospital medical consultant and staff grade vacancies[1]; by health board areas: at 30 September 1997

Area	*Total number*	*Consultant*	*Staff*
Scotland	161	132	29
Argyll and Clyde	19	14	5
Ayrshire and Arran	15	14	5
Borders	2	2	—
Dumfries and Galloway	7	7	—
Fife	10	8	2
Forth Valley	5	5	—
Grampian	21	15	6
Greater Glasgow	20	14	6
Highland	6	6	—
Lanarkshire	27	22	5
Lothian	14	10	4
Orkney	—	—	—
Shetland	4	4	—
Tayside	7	7	—
Western Isles	2	2	—
Common Services Agency	2	2	—

[1] Information on vacant posts is collected centrally for consultant and staff grades only.

Source:
From ISD(M)4, ISD Scotland

Community Pharmacies

Mr. Moore: To ask the Secretary of State for Scotland how many community pharmacies in Scotland have closed since 1 May 1997. [39658]

Mr. Galbraith: The information is not available in the form requested.

Since 1 May 1997, 169 pharmacist contractors have been deleted from Health Board lists and 177 have been added.

These figures do not differentiate between pharmacies opening or closing, and pharmacies changing hands.

Highlands and Islands Airports

Mr. Wallace: To ask the Secretary of State for Scotland when Ministers last met the Chairman of Highlands and Islands Airports Ltd; and what subjects were discussed. [39493]

Mr. Dewar: Ministers meet the Chairman of Highlands and Islands Airports Ltd. from time to time to discuss a variety of issues. The last meeting was on 22 September 1997 when operational and financial matters were discussed.

Mr. Wallace: To ask the Secretary of State for Scotland if he will list *(a)* the date of appointment of each member of Highlands and Islands Airports Ltd. and *(b)* the expiry date of each member's appointment. [39492]

Mr. Dewar: The appointment dates of the Board Members of Highlands and Islands Airports Ltd. are as follows:

	Date first appointed	*Date appointment expires*
Peter J. Grant CBE, Chairman (part-time)	17 March 1993	28 February 2001
Robert Macleod, Managing Director (full-time)	9 June 1997	8 June 2000
W. Francis Hamilton, Member (part-time)	1 June 1995	31 July 1998
William K. Semple, Member (part-time)	17 April 1991	31 March 1999

HEALTH

"Abortion Provision in Britain"

Mr. Martyn Jones: To ask the Secretary of State for Health what assessment he has made of the Birth Control Trust publication, "Abortion Provision in Britain"; and if he will make a statement. [38231]

Ms Jowell: This publication which has just been received, is being studied with interest. The White Paper "The New NHS" outlines a number of steps which we will be taking to improve the consistency of service provision throughout the National Health Service. We will challenge and address variations not based on health needs and wishes of local people. We will aim for maximum consistency while still allowing appropriate local and individual responsiveness.

Birth Control Advice

Mr. Trickett: To ask the Secretary of State for Health (1) what proportion of teenagers seek birth control advice on matters for which advice is available only from the family general practitioner; [38282]

(2) what guidance the Government have given on the availability of birth control advice to teenagers. [38322]

Ms Jowell: There are no aspects of birth control advice available only from general practitioners.

In 1996–97, the number of first contacts by females under 16 for family planning services at family planning clinics was 60,390. The number of females under 16 receiving ordinary contraceptive services who are registered with general medical practitioners was 26,521.

The Department provides funding to Brook Advisory Centres, the major source of advice for young people and also sponsors the *Sexwise* phoneline which provides confidential advice to enable young people to make informed and responsible decisions about sex and personal relationships. The service is complementary to that provided by Brook.

Confidentiality is of particular importance to young people. Existing guidance to regions (HC(86)1) is contained in *Guidelines for reviewing family planning services* issued in January 1992. In addition we are funding a Brook project which will include work on the dissemination of good practice information.

We are developing a practical programme of action which will lead to the launch of a National Programme on Reducing the Rate of Teenage Conceptions later this year. Part of the programme will involve the further development of information, advice, counselling and contraception services to meet the needs of young people.

Mr. Trickett: To ask the Secretary of State for Health what guidance the Government give to district health authorities on the availability of birth control advice; and if it is the Government's policy that such advice should be available from a number of sources in addition to the family GP. [38298]

Ms Jowell: The Department's guidance on family planning services is set out in HSG(92)6 "Guidelines for reviewing family planning services: Guidance for Regions", copies of which are in the Library. The guidance states that specialist family planning clinic services should complement those provided by general practitioners and asks health authorities to consider the best way to integrate the two to ensure a comprehensive and effective range of family planning service is provided to local populations.

Early Pregnancy Units

Jane Griffiths: To ask the Secretary of State for Health if he will make a statement on his plans for early pregnancy units. [39201]

Mr. Boateng: The establishment of early pregnancy units, which provide treatment and counselling for women with problems early in their pregnancy, is a relatively new initiative and the numbers are increasing. It is the responsibility of health authorities and National Health Service trusts, taking into account the health needs of the local population.

Antibiotics

Mr. Levitt: To ask the Secretary of State for Health what assessment the Government have made of the seriousness of the risk to health posed by increased bacterial resistance to antibiotics; and what measures are being taken to minimise this risk. [38972]

Ms Jowell: Antimicrobial resistance is an issue that we take extremely seriously. A number of initiatives have been undertaken or are underway to help tackle the problem. These include enhancing the systems of surveillance and infection control measures, reviewing the clinical use of antimicrobials and the use of antimicrobials in the food chain.

CR Gas Sprays

Mr. Livingstone: To ask the Secretary of State for Health what assessment of the health effects of CR gas sprays has been made by the medical officers of his Department since 1991; how many published and internal papers have been written by his Department's medical officers on this subject since 1991; and what are the current security classifications of the internal reports. [38614]

Ms Jowell: No scientific assessments of the health effects of CR gas sprays have been made by medical officers of the Department in the period since 1991. No papers have been published by the Department's medical officers on the subject. However, in the book "Chemical Warfare Agents: Toxicology and Treatments" published by Wiley in 1992 (ISBN 0–471–95994–4), a chapter authored by a medical officer of the Department made reference to the subject.

Head Lice

Ms Walley: To ask the Secretary of State for Health what guidance his Department has issued in respect of organophosphate-based treatments for head lice; and if he will make a statement. [39332]

Ms Jowell: Guidance on the safe use of organophosphate containing treatments for head lice is made available for health professionals and patients by the manufacturer through the product information, which is authorised by the licensing authority.

Ms Walley: To ask the Secretary of State for Health if he will make a statement on the incidence of head lice amongst children in Staffordshire. [39331]

Ms Jowell: Head lice infections are not notifiable and are often managed within the privacy of people's own homes, making accurate counting difficult. A study[1] in the south of England suggests that in a year on average 10 per cent. of children catch lice. The health authorities in Staffordshire believe incidence in Staffordshire to be similar to that experienced in other parts of the country. The Public Health Departments and School Health Services in both North and South Staffordshire are active in providing support and advice to health care professionals, schools and parents about managing head lice.

Source:

[1] Public Health Laboratory—Communicable Disease Report: Head Lice 10 October 1997.

Multiple Sclerosis

Mr. Gordon Prentice: To ask the Secretary of State for Health, pursuant to his answer of 19 March 1998, *Official Report*, columns *701–03*, if he will make it his policy to require health authorities to collect information on the number of persons in their areas with relapsing/remitting MS and the number of persons prescribed Beta Interferon. [39906]

Mr. Boateng: There are no current plans to make it policy to require health authorities to collect this information. However, the information that health authorities are required to provide is continuously reviewed.

Secure Units

Dr. Cable: To ask the Secretary of State for Health what is the capacity of each local authority secure unit in London and the home counties. [39474]

Mr. Boateng: The table gives the location of secure units and the number of approved places as at 24 April 1998, in England.

Secure accommodation: Current national provision (England)

Unit	*Local authority*	*Approved places*
London:		
1. Stamford House	Hammersmith & Fulham	16
2. Orchard Lodge	Southwark	24
Rest of England:		
1. Clare Lodge	Peterborough City Council	16
2. Barton Moss	Salford City Council	20
3. Watling House	Staffordshire County Council	12
4. Thornbury	Oxfordshire County Council	3
5. Stoke House	Coventry City Council	16
6. Swanwick Lodge	Hampshire County Council	16
7. Atkinson Unit	New Devon County Council	16
8. Eastmoor	Leeds City Council	27
9. Lincolnshire	Lincolnshire County Council	8
10. Leverton Hall	Essex County Council	16
11. Clayfields House	Nottinghamshire County Council	18
12. Aldine House	Sheffield City Council	8
13. Dales House	Lancashire County Council	8
14. Briers Hey	Lancashire County Council	8
15. Redbank SU	St. Helens Met Borough Council	26
16. Redbank (Vardy)	St. Helens Met Borough Council	6
17. St. Catherine's	St. Helens/Nugent Care Society	5
18. Sutton Place	Hull City Council	10
19. Redsands	Cheshire County Council	8
20. Beechfield	West Sussex County Council	6
21. St. John Earlswood	Birmingham City Council	8
22. Dyson Hall	Liverpool City Council	8
23. Vinney Green	South Gloucestershire County Council	22
24. Brunel	Derbyshire County Council	8
25. St. John's Tiffield	Northamptonshire County Council	16
26. Aycliffe	Durham County Council	43
27. Lansdowne	East Sussex County Council	5
28. Kyloe House	Northumberland County Council	12
Total number of places:		415

Dr. Cable: To ask the Secretary of State for Health how many females are currently accommodated in each local authority secure unit in London and the home counties; and if he will provide a breakdown by age. [39475]

Mr. Boateng: The table gives the current female occupancy levels in secure accommodation as at 24 April 1998, in England.

Females in secure accommodation as at 24 April 1998 (England)

Unit	Local authority	Total females	Age at 24 April: Under 12	12	13	14	15	16	17	18 and over
London										
Stamford House	Hammersmith and Fulham	0	0	0	0	0	0	0	0	0
Orchard Lodge	Southwark	0	0	0	0	0	0	0	0	0
Rest of England										
Clare Lodge	Peterborough City Council	8	0	0	0	4	2	2	0	0
Barton Moss	Salford City Council	0	0	0	0	0	0	0	0	0
Watling House	Staffordshire County Council	1	0	0	0	1	0	0	0	0
Thornbury	Oxfordshire County Council	0	0	0	0	0	0	0	0	0
Stoke House	Coventry City Council	5	0	0	0	1	3	0	1	0
Swanwick Lodge	Hampshire County Council	2	0	0	0	2	0	0	0	0
Atkinson Unit	New Devon County Council	2	0	0	0	1	0	1	0	0
Eastmoor	Leeds City Council	0	0	0	0	0	0	0	0	0
Lincolnshire	Lincolnshire County Council	1	0	0	0	1	0	0	0	0
Leverton Hall	Essex County Council	4	0	0	0	2	2	0	0	0
Clayfields House	Nottinghamshire County Council	3	0	0	0	1	1	1	0	0
Aldine House	Sheffield City Council	0	0	0	0	0	0	0	0	0
Dales House	Lancashire County Council	0	0	0	0	0	0	0	0	0
Briers Hey	Lancashire County Council	5	0	0	3	0	1	1	0	0
Redbank SU	St. Helens Metropolitan Borough Council	0	0	0	0	0	0	0	0	0
Redbank (Vardy)	St. Helens Metropolitan Borough Council	0	0	0	0	0	0	0	0	0
St. Catherine's	St. Helens/Nugent Care Society	5	0	0	0	3	1	1	0	0
Sutton Place	Hull City Council	1	0	0	1	0	0	0	0	0
Redsands	Cheshire County Council	3	0	0	0	1	2	0	0	0
Beechfield	West Sussex County Council	0	0	0	0	0	0	0	0	0
St. John's Earlswood	Birmingham City Council	4	0	0	0	2	1	0	1	0
Dyson Hall	Liverpool City Council	0	0	0	0	0	0	0	0	0
Vinney Green	South Gloucestershire County Council	2	0	0	0	0	0	2	0	0
Brunel	Derbyshire County Council	3	0	0	1	1	0	0	1	0
St. John's Tiffield	Northamptonshire County Council	2	0	0	0	0	1	1	0	0
Aycliffe	Durham County Council	5	0	0	3	1	1	0	0	0
Lansdowne	East Sussex County Council	2	0	0	1	1	0	0	0	0
Kyloe House	Northumberland County Council	6	0	2	1	1	1	1	0	0

Myalgic Encephalomyelitis

Mr. Burstow: To ask the Secretary of State for Health what research his Department has funded into ME/CFS in the last five years. [39863]

Ms Jowell: A number of research projects into myalgic encephalomyelitis/chronic fatigue syndrome (ME/CFS) have been carried out or are currently underway. These are:

"The role of noradrenaline in the neuropsychological pathogenesis of the chronic fatigue syndrome (ME)", funded by the Medical Research Council (MRC) and costing £37,000, is being undertaken by Dr. R. K. Morriss at the University of Manchester.

"Rehabilitation in the chronic fatigue syndrome (ME)—a controlled trial of cognitive-behavioural therapy", now completed and funded by the Department of Health for £59,034.

"Should General Practitioners manage chronic fatigue syndrome (ME)? A controlled trial", an ongoing research project funded by the National Health Service research and development programme for £64,433.

The Department has also funded a £65,000 project which considered whether a particular type of psychological treatment was effective in reducing disability in CFS/ME Patients and a £60,000 project which is looking at whether general practitioners are best placed to manage CFS/ME patients.

In addition, the NHS Standing Group on Health Technology has recently identified the latest series of priority areas for which it anticipates commissioning primary research or systematic reviews. One of the topics identified is management strategies for chronic fatigue syndrome/ME.

Mr. Burstow: To ask the Secretary of State for Health what guidance his Department has issued to health authorities concerning ME/CFS. [39860]

Ms Jowell: There is no single effective treatment for chronic fatigue syndrome/myalgic encephalomyelitis (CFS/ME). The condition varies significantly from one patient to another and therefore individual patients benefit from different treatment regimes. Therefore, we consider that it is more appropriate for clinical guidelines to be produced by clinicians themselves or through their representative professional bodies. Furthermore, the Medical Royal Colleges point out that, whilst CFS/ME should be managed by general practitioners, it is inappropriate at present to issue clinical guidelines given the lack of methodologically sound research.

Special Educational Needs

Mr. Burstow: To ask the Secretary of State for Health what consultations his Department has had with the DFEE on their Green Paper on Special Education Needs. [39862]

Mr. Boateng: The Department was represented on the group, chaired by my hon. Friend the Under-Secretary of State for Education and Employment, my hon. Friend the Member for Birmingham, Yardley (Ms Morris), which produced the Green Paper "Excellence for all Children—Meeting Special Educational Needs", and continues to contribute to consultations following its publication last October.

Long-term Care

Mr. Flight: To ask the Secretary of State for Health when he expects the Royal Commission to publish its findings on funding long-term care for elderly people; and if he will make a statement. [38482]

Mr. Boateng: I refer the hon. Member to the statement made by my right hon. Friend the Secretary of State on 4 December 1997, *Official Report*, column *489*.

SOCIAL SECURITY

Housing Benefit

21. **Mr. Gerrard:** To ask the Secretary of State for Social Security what plans she has for reform of the housing benefit system. [38500]

25. **Mr. Kidney:** To ask the Secretary of State for Social Security if she will make a statement about her plans for the reform of housing benefit. [38504]

Mr. Keith Bradley: Tackling benefit fraud and encouraging people of working age to work are two important principles of welfare reform. In the immediate term, we are taking steps to tackle Housing Benefit fraud, and the Working Families Tax credit and other changes announced by my right hon. Friend the Chancellor in the Budget will reduce the work disincentive effects caused by the combination of housing benefit and Family Credit.

For the longer term, as the Welfare Reform Green paper made clear, we are reviewing Housing Benefit. The review will consider and seek to address the underlying relationship between housing policy and housing benefit. We aim to develop stable and sustainable policies, in line with the overall objectives of welfare reform, striking a better balance between tenants' right and responsibilities.

26. **Mr. Chope:** To ask the Secretary of State for Social Security if she will make a statement on the future role of local authorities in the payment and administration of housing benefit. [38505]

Mr. Keith Bradley: The Welfare Reform Green Paper made clear we are reviewing the underlying relationship between housing policy and housing benefit. We aim to develop stable and sustainable policies, in line with the overall objectives of welfare reform, striking a balance between tenants' rights and responsibilities. We will be aiming to develop a simpler benefit system that will be more easily administered.

Mr. Hood: To ask the Secretary of State for Social Security what were the *(a)* numbers and *(b)* amounts of rent rebate allowance overpayments and *(c)* the amount as a percentage of the authority's overall housing benefit expenditure for (i) each district and island council in Scotland, in each available year from 1993–94 and (ii) each unitary authority for 1996–97. [37818]

Mr. Keith Bradley: The information has been placed in the library.

Mr. Hood: To ask the Secretary of State for Social Security if she will provide *(a)* a breakdown of the number of housing benefits claimants, split into rent rebate and rent allowance categories, with the total amounts paid under each heading, *(b)* the numbers and amounts of housing benefit backdated payments under Regulation 72 (15), and the amount paid as a percentage of each local authority's housing benefit expenditure and *(c)* the numbers and amounts of discretionary payments under Regulation 69 (8) and the percentage they form of each local authority's total housing benefit expenditure, in the most recent available year. [37823]

Mr. Keith Bradley: The information is not available in the format requested. Such information as is available has been placed in the library.

Child Support Agency

23. **Mr. Baldry:** To ask the Secretary of State for Social Security if she will make a statement on the number of staff employed by the Child Support Agency. [38502]

Mr. Keith Bradley: The Child Support Agency currently employs 9,109 full time and part time staff. Over 8,000 are permanent with the remainder made up of fixed term contract and casual staff.

Currently fewer than 1 in 20 of the Agency's field staff have face to face contact with the public. However, the Agency is reorganising itself over the next year to make more staff available for front-line work; to improve telephone contact with customers; and to increase face to face contact.

Disability Benefits

24. **Mr. Wilkinson:** To ask the Secretary of State for Social Security what recent representations she has received on the level of benefits paid to those with disabilities. [38503]

Mr. Denham: We have received many representations on a range of issues relating to people with disabilities. Some of these may have concerned the level of benefits.

Income-related Benefits

27. **Mr. Ruffley:** To ask the Secretary of State for Social Security what is her policy towards reducing dependency on income-related benefits; and if she will make a statement. [38506]

Mr. Field: Income-related benefits will continue to offer a mechanism for getting resources to the most needy. As our plans for New Deals for people of working age, measures to make work pay, lifelong learning and pension reform take hold, people will have new opportunities to provide for themselves. Over time this will reduce the need for widespread reliance on income-related benefits.

United Nations Commission on the Status of Women

28. **Helen Jackson:** To ask the Secretary of State for Social Security when she expects to respond to the report of United Nations Commission on the Status of Women. [38507]

Ms Ruddock: I am pleased to announce that in June the Ministers for Women will be publishing a response to the twelve critical areas of concern to women which make up the UN Global Platform for action on women.

The areas on which progress will be reported include education and training, women's health and violent crime against women. The United Nations Commission on the Status of Women (CSW) holds an annual conference to follow up on commitments to the UN Platform for Action on women.

At the meeting of the CSW in February 1998 the UK Government, in our role of Presidency of the EU, succeeded in securing agreement to the main points of concern to the EU in the final texts. As soon as the final texts are available to the Government a copy will be placed in the Library.

Pensioners

29. **Mr. Barry Jones:** To ask the Secretary of State for Social Security what measures she has implemented to improve the living standards of pensioners. [38508]

Siobhain McDonagh: To ask the Secretary of State for Social Security if she will make a statement on the Government's policies towards the poorest pensioners during the last 12 months. [38480]

Mr. Denham: I refer my hon. Friends to the answer given by my right hon Friend the Secretary of State earlier today to my hon. Friend the Member for Conwy (Mrs. Williams).

Mr. Etherington: To ask the Secretary of State for Social Security what steps she is taking to ensure that pensioners in Sunderland are in receipt of the benefits to which they are entitled; and if she will make a statement. [37972]

Mr. Denham: The local office of the Benefits Agency in Sunderland has a number of initiatives in place to assist pensioners in claiming Income Support. These include the issue of form IS1 (an initial claim form for income support) to pensioners on being awarded Retirement Pension, and monthly meetings with Age Concern where appointments are arranged to deal with individual pensioners' inquiries. They also attend a twice yearly forum run by Social Services, who are targeting pensioners.

On a national scale, the Government are committed to examining the means of delivering more automatic help to the poorest pensioners, around one million of whom do not take up their Income Support entitlement. We have commissioned independent research into the barriers to pensioners claiming their entitlement. We have also started pilot projects in nine areas of Great Britain (Glasgow, East Renfrewshire, York, Preston, Stroud, Torbay, South Staffordshire, Torfaen and Lambeth) to test the most effective methods of identifying potential pensioner recipients and of encouraging them to claim. We should have the results of both the research and the pilots early next year when we will consider the best way to proceed nationally.

Mr. Webb: To ask the Secretary of State for Social Security what would be the effect on public expenditure of raising the state pension age to 67 years for both men and women. [38200]

Mr. Denham: The information is not available in the format requested. Such information as is available is set out in the table.

Benefit effects of raising State pension age to 67 in 1998–99

£ billion

Benefits	*Cost/saving*
Retirement pension (RP) savings	5
Income related benefits (IRB) offset to RP savings	−1
Other benefit offsets	−2

Notes:

1. Estimates assume an immediate change in State pension age in 1998–99 with no transitional protection and Audit Dependancy Increases (ADIs) extended in line with current policy.
2. Estimates are rounded to the nearest £ billion (−) represents a cost, (+) represents a saving.
3. RP effects include moves onto Widows Benefits (WB) and the extension of ADIs.
4. IRB offsets are provided for the RP and WB costs only. Information on the IRB effects of moves onto other benefits is not available.
5. "Other benefits" cover Incapacity Benefit, Jobseeker's Allowance (Contributory), Severe Disablement Allowance and Invalid Care Allowance.
6. No behavioural effects have been assumed, apart from moves onto other contributory benefits.
7. Contributory benefit effects have been provided by the Government Actuary's Department.

Lone Parents

30. **Miss McIntosh:** To ask the Secretary of State for Social Security what plans she has to introduce elements of compulsion into the New Deal for lone parents. [38509]

Mr. Keith Bradley: I refer the hon. Member to the reply I gave the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) on 25 November 1997, *Official Report* column *540*.

Pensions

31. **Mr. Viggers:** To ask the Secretary of State for Social Security what plans she has to reform the system of occupational pensions. [38510]

Mr. Denham: The pensions review is looking at ways to meet the Government's commitment to strengthen and support occupational pensions because we recognise the importance of occupational pensions in providing income for retirement.

There are three strands to this work. First, we are taking steps to get the regulation of pensions right. Secondly, we want to find ways of acknowledging the best in occupational pension provision and of encouraging others to meet the standards of the best. Thirdly, we are seeking to raise the level of pensions education and awareness so that people can take informed choices about their own provision.

The Government have signalled their willingness to look at the weight and appropriateness of the current regulatory system. We have also raised a series of issues on which we want to encourage a wider debate. Over the next few months we will be consulting widely on proposals for making the provisions of the Pensions Act easier to operate by simplifying a number of requirements.

32. **Sir Teddy Taylor:** To ask the Secretary of State for Social Security how many representations she has had from members of the public about her proposals for retirement pensions. [38512]

Mr. Denham: A key objective of our review of pensions is to ensure that pensioners should have an adequate income in retirement, that they should share fairly in rising national prosperity and that public finances should be both sustainable and affordable.

We received over 2,000 responses to the pensions review from pensions providers, employers, employees, consumers, pensions experts and pensioners themselves. We are considering the responses and we will be publishing a Green Paper later this year.

34. **Mr. Lansley:** To ask the Secretary of State for Social Security when she proposes to publish her proposals for stakeholder pensions. [38514]

Mr. Denham: Details of the proposed framework for Stakeholder Pension schemes will be included in the Green Paper on pensions which we will publish later this year.

Child Care

33. **Mr. Burgon:** To ask the Secretary of State for Social Security if she will make a statement on Government initiatives to help parents pay for child care during the last year. [38513]

Ms Ruddock: Child care is a priority for the Ministers for Women and we have worked with colleagues across government in the last year on initiatives to help parents, particularly women, with paying for childcare.

The Government announced in March that a new Child care Tax Credit will be introduced from October 1999, as part of Working Families Tax Credit. This will cover 70 per cent. of all weekly childcare costs up to an overall limit of £100 for families with a single child and £150 for multi-child families. The tax credit will replace the child care disregard in Family Credit and other income-related benefits.

In addition, the Chancellor announced a major boost to child care in the Pre-Budget statement in November. £300 million is being made available to set up 30,000 out of school projects, which will provide places for up to one million children. Out of school clubs for children before and after school, and in the holidays. This is a tenfold increase on existing provision, and will mean that every child in Britain will have access to out of school child care in their community.

In the meantime, from June 1998, the Family Credit child care disregard will be enhanced by increasing the maximum child care costs allowed to £100 for families who incur child care costs for two or more children of qualifying age and extending the age limit by one year to the September following the child's 12th birthday.

Since July 1997, lone parents participating in the New Deal for Lone Parents programme have also been eligible for help with childcare costs of up to £60 per week (or £100 per week for two or more children from June 1998) while undertaking various activities helping them secure a job, for example attending job interviews; attending an interview with the Personal Adviser and attending certain kinds of training courses or programmes.

Part-time Employed

Mr. Sheerman: To ask the Secretary of State for Social Security what new steps she is taking to protect the benefit payments to the part-time employed. [38501]

Mr. Keith Bradley: The changes we are making to National Insurance from April next year will reduce the amount all employees' pay, but will not affect their benefit entitlements. Our longer term aim is to align the starting point at which employees pay National Insurance with the single person's income tax allowance. When we do so we will ensure that benefit rights are protected. We shall be considering how best to provide this protection and will bring forward proposals in due course.

National Insurance

Mr. Hoyle: To ask the Secretary of State for Social Security what representations she has received from lawyers on proposals to remove actors from Class 1 national insurance contributions. [38932]

Mr. Denham: We have had no such representations from lawyers. We have announced that we are reviewing, with the Department for Culture, Media and Sport, the position of performers for National Insurance purposes. No decision has yet been taken. An announcement will be made in due course.

Appeals

Mr. Levitt: To ask the Secretary of State for Social Security what proportion of social security appeals tribunals were *(a)* attended by the appellant and/or a representative and *(b)* unattended; and what was the success rate for (i) attended and (ii) unattended appeals in each of the last four quarters. [38973]

Mr. Keith Bradley: The information is set out in the tables.

Number of tribunals attended and unattended by the appellant and/or a representative

Quarter ending	*Appeals heard (Total number)*	*All attendances (Total number)*	*(Per cent.)*	*Not attended (Total number)*	*(Per cent.)*
31 December	28,048	17,470	62.29	10,578	37.71
31 March	25,586	15,907	62.17	9,679	37.83
30 June 1997	31,507	17,092	54.25	14,415	45.75
30 September	36,053	15,962	44.27	20,091	55.73

Success rate of attended and unattended tribunals

Quarter ending	All attendances (Total number)	All attendances In appellant's favour (Number)	(Per cent.)	Not attended (Total number)	Not attended In appellant's favour (Number)	(Per cent.)
31 December 1996	17,470	9,561	54.73	10,578	1,249	11.81
31 March 1997	15,907	8,766	55.11	9,679	1,192	12.32
30 June 1997	17,092	9,535	55.79	14,415	1,820	12.63
30 September 1997	15,962	8,813	55.21	20,091	2,523	12.56

Source:
The quarterly Social Security Appeal Tribunal statistics published by DSS Analytical Services Division.

Mr. Gibb: To ask the Secretary of State for Social Security how many paper appeals made against decisions following an all-work-test were processed in the last four quarters for which figures are available; and what proportion of these were decided in the appellant's favour. [39775]

Mr. Keith Bradley: The information is not available.

Lung Function Test

Mr. Clapham: To ask the Secretary of State for Social Security (1) if she will commission a comparison between her Department's predicted values in the lung function test and the European Community for Steel and Coal study undertaken in 1993; [39921]

(2) when the survey of the general population, which is the basis of the predicted performance used in the lung function test was undertaken; how many males were included in the survey; what proportion of those taking part smoked; and when it was last updated; [39920]

(3) what is the basis of the predicted performance used in the lung function test; how it is calculated; and when it was first devised; [39918]

(4) if the Industrial Injuries Advisory Council has re-evaluated J. E. Cotes' Lung Function Assessment in Medicine used by her Department, since the European Respiratory Society recommended the use of ECSC values; and what was the outcome. [39919]

Mr. Denham: The Industrial Injuries Advisory Council provides Ministers with expert independent advice on matters relating to the Industrial Injuries Benefit Scheme. The Council re-evaluated the use of the Cotes equation for the lung function test in their review of the prescription of chronic bronchitis and emphysema. That re-evaluation included consideration of the European Community for Coal and Steel study published in 1993. The Council concluded that the Cotes equation remained as appropriate as any other available equations, including that published in the latter study. A copy of the Council's report of their review entitled "Chronic Bronchitis and Emphysema" (Cm 3240) which was published in May 1996 is in the Library. Particulars of the Cotes equation and the reference populations used in Cotes are set out in detail in "Lung Function: Assessment and Application in Medicine" by J. E. Cotes (ISBN 0–632–00033–3).

Benefit Integrity Project

Mr. Oaten: To ask the Secretary of State for Social Security what plans her Department has to set target times for processing appeals under the Benefit Integrity Project. [39912]

Mr. Denham: We are committed to looking at various ways of improving the way in which the Benefit Integrity Project operates. For example, from 1 May all review requests will be subject to new faster processes. The aim is to reduce the time taken to process review requests from 10 to 11 weeks to 4 to 5 weeks in the majority of cases. We are also examining ways of speeding up the processing of appeals against decisions made under the Project and discussions have begun with the Independent Tribunal Service.

Industrial Injuries Disablement Benefit

Mr. Oaten: To ask the Secretary of State for Social Security how many claims of industrial injuries disablement benefit were made in 1996–97; and how many he estimates will be made in 1997–98. [39899]

Mr. Denham: There were 70,640 claims to Industrial Injuries Disablement Benefit in 1996–97. No estimates are made of the number of claims expected in future years. However, in the 9 months from April 1997 to December 1997 73,820 claims were made.

Note:
The data are based on a 10 per cent. sample of claims made.

Disability Living Allowance

Mr. Oaten: To ask the Secretary of State for Social Security how many people whose main disabling condition is deafness were awarded disability living allowance *(a)* between June 1996 and May 1997 and *(b)* since June 1997 (i) on their initial application, (ii) at review and (iii) at appeal. [39897]

Mr. Denham: The information is set out in the table.

People whose main disabling condition is deafness awarded disability living allowance.

Type of award	1 June 1996 to 31 May 1997	1 June 1997 to 28 February 1998
All types of award	3,000	3,580
on initial application	1,720	1,880
on review	680	940
on appeal	600	760

Source:
Analytical Services Division: 5 per cent. data.

Written Answers to Questions

Tuesday 28 April 1998

DEFENCE

Clothing

Mr. Andrew George: To ask the Secretary of State for Defence what assessment his Department has made of the change in the degree of satisfaction or dissatisfaction among service personnel relating to the clothing they are issued with over the last five years; and on what evidence this assessment is based. [36817]

Mr. Spellar: The bulk of the procurement of clothing for service personnel is carried out through the Defence Clothing & Textiles Agency and I have therefore asked the Chief Executive to write to the hon. Member.

Letter from Michael Roycroft to Mr. Andrew George, dated 28 April 1998:

I am replying to your Question to the Secretary of State for Defence about the degree of satisfaction amongst service personnel relating to clothing they are issued with, as this matter falls within my area of responsibility as the Chief Executive of the Defence Clothing & Textiles Agency (DCTA).

The degree of satisfaction amongst service personnel related to clothing can be assessed by various methods including Continuous Attitude Survey, Availability, Defect Reports and other evidence from Service representatives or their personnel. In addition DCTA produces a Monthly Bulletin, a Quarterly Situation Report to all customers and holds 6 monthly Customer Days, to which all Top Level Budgets are invited to be represented, to discuss individual item problems and forecasts of future supply shortages.

Continuous Attitude Surveys are carried out on behalf of the Royal Navy, Army and the Royal Air Force by the Defence Evaluation and Research Agency. A small number of questions which relate to clothing issues are included in all three Service surveys, however, only the Army are asked questions relevant to clothing satisfaction. I attach a graphical representation of the answers received to two questions asked over the last five years in the Army Attitude Survey. These graphs show that satisfaction with combat clothing and working dress has improved with time; overall availability of working dress has improved by 27% in the last three months to February 1998. A DCTA survey into clothing issues had been prepared, but it was agreed that for the time being we should rely on the Continuous Attitude Survey.

DCTA do request that personnel finding fault with clothing send in Defect Reports to us and we record defect investigation findings under the following headings: Fair Wear & Tear, Abuse/Misuse, Design Failure, Unjustified or Justified Quality Assurance Failure. Most of the findings over the last three financial years have fallen under the last two headings, although the number of defect reports is very small in number, 187 in the last year, when compared to the overall customer base of 408,000 Armed Forces and other organisations personnel. Overall every effort is made to brief the customer of past, present and future problems. There is also a well publicised help-line for queries from Service personnel.

'Soldiers: How do you feel about the Quality of combat clothing and personal equipment'

percentage

	June 1993	*June 1994*	*June 1995*	*June 1996*	*March 1997*
Very poor	15	12	12.5	10	8.5
Poor	29.5	26	21.5	22	15.5
OK	35	36.5	37	35	37.5
Good	18	21	23	28	28.5
Very good	3.5	5	6	6	10

Source:
DERA CHS/HS3/5/303/1Mar98

'Soldiers: How do you feel about the Quality of normal working dress'

percentage

	June 1993	*June 1994*	*June 1995*	*June 1996*	*March 1997*
Very poor	7	5	6	7	6.5
Poor	16.5	18.5	16.5	19	16.5
OK	50	47.5	46	47	44.5
Good	22.5	24.5	24.5	23	25.5
Very good	4	5	8.5	4	7

Source:
DERA CHS/HS3/6/303/1Mar98

Landmines (Falkland Islands)

Mr. Menzies Campbell: To ask the Secretary of State for Defence what new technology his Department is developing to assist in the clearance of landmines from the Falkland Islands. [39358]

Mr. Spellar: The Ministry of Defence is not developing any technology aimed specifically at clearance of landmines from the Falkland Islands. Various systems which could potentially be used for such a purpose in the future are, however, under development.

MOD sponsors a considerable amount of research into sensors and countermine technologies in support of the military requirement to breach minefields under operational conditions, as well as to open up and clear routes in support of military operations. Some of these, such as Ground Penetrating Radar, are not yet mature enough for military use.

Mr. Menzies Campbell: To ask the Secretary of State for Defence what estimate he has made of the number of landmines remaining on the Falkland Islands. [39421]

Dr. Reid: Landmines were used in the Falklands by our forces during the 1982 conflict, and in its aftermath. One British anti-personnel landmine remains unaccounted for although every effort has been made to clear our devices.

We have no reliable figure for the number of Argentine mines in the Falklands. Our best current estimate is that some 18,000 Argentine mines and similar devices of various types were laid, including some 14,000 anti-personnel landmines. About 1,400 Argentine mines were cleared following the conflict, before work was suspended after a number of serious injuries to clearance personnel.

Remaining minefields, or areas where it is suspected that mines might be, have been marked and fenced. These areas are monitored regularly to ensure that remaining mines present no danger to civilian or military personnel on the Islands.

LORD CHANCELLOR'S DEPARTMENT

Legal Aid

Mr. Pickthall: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list the *(a)* 20 solicitors' firms and *(b)* 20 barristers who have received the largest sums of money from legal aid in the most recent year for which information is available. [38635]

Mr. Hoon: Payments to the 20 solicitors' firms and 20 barristers who received the largest sums of money from the legal aid fund in 1996–97 were as follows:

	£
Barristers[1]	
H. David, R. Hood John B. W. McDonnell Q.C. Daniel J. Brennan Q.C.	Over 320,000
C. David Allan Q.C. Richard Maxwell Q.C. Judith M. F. Parker Q.C.[2] Michael G. Bloch Philip J. Hoser Andrew D. H. Trollope Q.C.	270,000–319,999
Ian G. F. Karsten Q.C. Joanna Dodson Q.C.	230,000–269,999
Allan E. Levy Q.C. Alastair J. D. Wilson Q.C. Deborah A. Eaton[2] Stephen J. Irwin Q.C. Henry J. Setright Alison Ball Q.C. Charles J. Lewis Paul M. McCormick Charles A. F. Howard	190,000–229,000

[1] Includes payments for civil legal aid, criminal magistrates legal aid and Advice By Way Of Representation

[2] The Department was unable to confirm the figures with the individual concerned

The figures quoted are for cash payments made by the Legal Aid Board in 1996–97. They include fees, VAT and other expenses necessarily incurred together with new payments on account less old payments on account recouped. They do not take account of the amounts received or recovered by way of contributions, costs or damages awarded. It should be clearly understood that any payment to a barrister in the year 1996–97 could well reflect payments for several years' work and should not be seen as a measurement of annual income.

It should also be noted that these figures have been calculated on a different basis from previous years where the total amounts paid from the Legal Aid Fund in respect of cases closed in the year in question were given. These did not include payments on account for cases still current.

	£ million
Solicitor Firms[1]	
Freeth Cartwright Hunt and Dickens[2]	Over 8.50
Irwin Mitchell	2.60–3.49
Alexander Harris & Co.[3] Fisher Meredith Nelsons Leigh Day & Co. McGrath & Co.	2.00–2.59
Owen White Joseph Hill & Co. Henry Hyams & Co. Hodge Jones & Allen Evill & Coleman T. V. Edwards	1.80–1.99
The Johnson Partnership Brendan Flemming Powell Spencer & Partners Jones Maidment Wilson Bindman & Partners The Smith Partnership Young & Lee	1.60–1.79

[1] Includes payments for civil legal aid, criminal magistrates legal aid, and for advice and assistance

[2] Includes payments for work done by other solicitor firms and counsel in multi-party actions which were administered by Freeth Cartwright Hunt and Dickens and which consequently do not appear in other firms' figures

[3] The Department was unable to confirm the figures with the firm concerned

The figures quoted are for cash payments made by the Legal Aid Board in 1996–97. They include profit costs, disbursement and other expenses necessarily incurred, VAT and new payments on account less old payments on account recouped. They do not take account of the amounts received or recovered by way of contributions, costs or damages awarded. It should be clearly understood that any payment to a solicitor in the year 1996–97 could well reflect payments for several years' work and should not be seen as a measurement of annual income.

It should also be noted that these figures have been calculated on a different basis from previous years where the total amounts paid from the Legal Aid Fund in respect of cases closed in the year in question were given. These did not include payments on account for cases still current.

For criminal legal aid in the higher courts it is not possible to provide information in the form requested. This is because the Department's central database records payments made to individual barristers and solicitor firms in respect of closed cases only; that is where the case has been disposed of and all bills, including those of other defence lawyers, have been determined. Set out below are the 20 barristers and solicitor firms recorded as having received the highest total payments in respect of criminal legal aid in the higher courts in cases recorded as closed in the financial year 1996–97. It should be clearly understood that any payment to an individual barrister or solicitor firm in the year 1996–97 could well reflect

payments received in other years but aggregated in the year 1996–97, because final payment was received. Therefore it is not a measurement of annual income.

	£000
Barristers	
A. Jones Q.C. M. Swift Q.C.[1,2]	Over 500
P. Rook Q.C. E. Lawson Q.C. S. Batten Q.C. A. Arlidge Q.C. M. Hill Q.C.	450–499
R. Thwaithes Q.C. A. Trollope Q.C. S. Stevens[2]	400–449
O. Blunt Q.C. S. Leslie Q.C. W. Roddick Q.C. P. Feinberg Q.C. T. Raggatt Q.C. A. Berry Q.C. Miss C. Montgomery	350–399
P. Doyle P. Harrington Q.C. J. Richardson	329–349

[1] This will include some payments previously published for 1995–
[2] The Department was unable to confirm the figures with the individual concerned

	£ million
Solicitors	
Harkavys Burton Copeland	Over 2.00
Garstangs	1.00–1.99
Offenbach & Co. Irwin Mitchell Derek Attridge & Co. (Tottenham) Russell Cooke Potter & Chapman Jones Maidment Wilson	0.50–0.99
Joseph Hill & Co. Foinette Quin Trevor Cox Edward Fail Bradshaw & Waterson Derek Attridge & Co. (Bermondsey) Mackesys Maidments	0.40–0.49
Fanshaw Porter & Hazlehurst Powell Spencer & Partners J. Keith Park & Co. Stephenson Harwood R. M. Broudie & Co.	0.35–0.39

The figures quoted above are the total amounts paid from legal aid in respect of cases closed in 1996–97. As such they may include payments relating to work done in earlier years, but do not include payments on account for cases still current. The figures are inclusive of VAT and disbursements and other expenses necessarily incurred. They do not take account of amounts received or recovered by way of contribution from assisted persons.

HOUSE OF COMMONS

Millennium Compliance

Dr. Lynne Jones: To ask the Chairman of the Information Committee what assessment he has made of the level of millennium compliance within the parliamentary estate. [38917]

Mr. Allan: A working group of technical staff has been established to address the compliance issue for systems provided for departments of the House. An estimate of the level of compliance, and the costs of corrective action will be available after the completion of the programme of tests later this year. The Finance and Services Committee is monitoring progress. Compliance of embedded chips in, for example, passcard systems and elevators, is being addressed by the Parliamentary Works Directorate, who will report progress through the Accommodation and Works Committee.

Equipment provided by Members for themselves and their staff is excluded from this provision and they are asked to ensure that their own systems are compliant. It may be possible to provide an avenue for advice, or to recommend external sources for assistance. No estimate of the likely costs can be made.

CULTURE, MEDIA AND SPORT

Millennium Commission Funding

Mr. Maclean: To ask the Secretary of State for Culture, Media and Sport what assessment is made of the level of public support prior to a proposal for funding by the Millennium Commission being accepted. [39420]

Mr. Chris Smith: This is a matter for the Millennium Commission. I will reply to the right hon. Member in my capacity as Chairman of the Commission and place copies of my reply in the Libraries of the House.

Sites of Archaeological Significance

Mr. Dalyell: To ask the Secretary of State for Culture, Media and Sport what research his Department has *(a)* commissioned and *(b)* evaluated on the preservation and display of sites of archaeological significance under new public buildings with particular reference to practices in Germany. [37515]

Mr. Banks: None, but my Department would be interested to see the results of any research which has been carried out.

Iraqi Antiquities

Mr. Dalyell: To ask the Secretary of State for Culture, Media and Sport, pursuant to his letter of 24 March 1998 (C97/44817/15777), if he will make a statement on discussions at the Stockholm UNESCO Conference about the purloining of Iraqi antiquities. [39307]

Mr. Fisher: I can report that at the recent UNESCO conference in Stockholm an official from my Department sought the views of officials from UNESCO concerning the illegal excavation and looting of antiquities in Iraq. UNESCO has received representations on this subject from a group of independent scholars, archaeologists and

art historians and has distributed lists of known looted Iraqi antiquities to all major auction houses around the world. However, there is currently no more UNESCO can do.

Football Matches (Attendance)

Mr. Caplin: To ask the Secretary of State for Culture, Media and Sport if he will list the total levels of attendance at *(a)* Premier League, *(b)* League Division One, *(c)* League Division Two and *(d)* League Division Three football matches in each of the last five seasons. [38995]

Mr. Banks: My Department does not collect this information. It is available in reference books such as the Football Yearbook 1997–98.

FOREIGN AND COMMONWEALTH AFFAIRS

South Africa

Mr. Pike: To ask the Secretary of State for Foreign and Commonwealth Affairs in what ways the EU is proposing to improve South Africa's access to European markets; on what types of products he is seeking a reduction in customs duties; and if he will make a statement. [39851]

Mr. Doug Henderson: The EU is negotiating a Free Trade Agreement with South Africa which will cover substantially all trade, with no sectors excluded. We welcome this, and support a wide-ranging and liberal outcome. The Agreement should, over time, lead to the complete removal of tariffs for most South African exports to the EU; tariffs are likely to remain for a number of agricultural products.

European Movement

Sir Michael Spicer: To ask the Secretary of State for Foreign and Commonwealth Affairs what funds the European Movement has received from his Department since 1994; and what future grants are planned. [39910]

Mr. Doug Henderson: This Department made a grant of £10,000 to the European Movement in 1994. No funding has been made available to the European Movement by this Department since then and no further grants are currently planned.

Cambodia

Mr. Stunell: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps he will take to ensure fair and free elections in Cambodia in July *(a)* through the EU and *(b)* unilaterally. [39763]

Mr. Fatchett: We are working closely with EU partners, ASEAN and other "Friends of Cambodia" to encourage the Cambodians to hold free and fair elections on 26 July. The EU is providing a 10 mecu assistance package, subject to strict political conditionality. We are also contributing £100,000 to the UN Trust Fund for election assistance, and may make further contributions if the need arises and political conditions are met.

TRADE AND INDUSTRY

Millennium Compliance

Mr. Campbell-Savours: To ask the President of the Board of Trade (1) what plans she has to introduce measures for the approval of diagnostic and remedial computer equipment marketed for dealing with millennium compliance; [38528]

(2) if she will introduce measures to regulate mis-selling by software companies of diagnostic and remedial equipment, marketed for dealing with millennium compliance. [38529]

Mrs. Roche: I have no plans to introduce new measures. I would urge purchasers to check whether the equipment complies with their requirements. In doing so they will be protected by a range of general consumer legislation, including the Trades Descriptions Act 1968 and the Sales of Goods Act 1979, which requires goods to be of satisfactory quality, taking account of any description of the good and fitness for all the purposes for which goods of this kind are commonly supplied.

Power Supplies

Mr. Hammond: To ask the President of the Board of Trade what assessments he has made of the risk to the integrity of United Kingdom power supplies as a result of the reduction in available routes for the movement of abnormal loads to and from power stations and National Grid main transformer locations around the United Kingdom. [39042]

Mr. Battle *[holding answer 20 April 1998]:* I have made no such assessment. I understand that officials at the Department of the Environment, Transport and the Regions are discussing this and other related matters with representatives of the electricity supply industry. My officials will keep in close touch with the progress of these discussions.

Defence Trade Shows

Ann Clwyd: To ask the President of the Board of Trade if she will list the total amount of public funds extended by her Department to companies attending defence trade shows for each year since 1990. [39245]

Mrs. Roche: The Department provided support to UK companies to attend defence and security exhibitions under the terms of the Trade Fair Support Scheme as detailed in the following table. Without conducting major research involving UK trade associations and overseas event organisers, it is not possible to separate defence trade shows specifically.

£

Year	*Total funding*
1990–91	137,565
1991–92	979,527
1992–93	834,213
1993–94	878,490
1994–95	1,011,777
1995–96	1,114,799
1996–97	1,569,415
1997–98	1,202,676

Asian Aerospace 98

Ann Clwyd: To ask the President of the Board of Trade how many British defence companies have received public funds to attend Asian Aerospace 98 in Singapore; and what was the total amount of public funding involved. [39244]

Mrs. Roche: Forty-seven British companies, of which 38 received grants under the Trade Fair Support Scheme, participated in Asian Aerospace 98. Participation is open to all relevant companies and it is not possible to determine from our records how many are in the defence sector. Grant payments are expected to total £322,466.

Whisky Scams

Mr. Burstow: To ask the President of the Board of Trade if she will strengthen the legal protection for investors against frauds commonly known as whisky scams. [39164]

Mr. Nigel Griffiths *[holding answer 20 April 1998]:* A range of measures already exists to deal with fraud. The DTI has investigated the affairs of some 20 companies engaged in selling whisky or champagne for investment purposes. DTI has wound up 6 companies and continues to bring proceedings against others. Information obtained by DTI has been passed to the Serious Fraud Office which has now commenced a major inquiry across the industry embracing about 40 companies.

Funeral Services

Mr. Sanders: To ask the President of the Board of Trade what studies her Department has conducted into the costs of funeral services; and if she will publish them. [39464]

Mr. Nigel Griffiths: The Office of Fair Trading has made a report into Pre-paid Funerals which included a study into the costs of funeral services. This report was passed to the DTI and published in 1995.

Mr. Sanders: To ask the President of the Board of Trade what plans she has to protect consumers in respect of the costs of funeral services. [39463]

Mr. Nigel Griffiths: I am pleased to inform the hon. Gentleman that funeral directors belonging to the Funeral Standards Council and the Society of Allied and Independent Funeral Directors (SAIF) are affiliated to the Funeral Ombudsman Scheme, SAIF having joined earlier this month. As the hon. Gentleman may be aware, I have previously expressed my support for a single scheme and I welcome this development. Both the Funeral Ombudsman Scheme's code of practice, and that of the National Association of Funeral Directors (who operate a separate scheme for consumer redress) require members to make a basic funeral available with its price clearly indicated. Where funeral directors do not do this, consumers must report them to the Funeral Ombudsman Scheme or the National Association of Funeral Directors as applicable. I am concerned that there is not enough transparency in this and in other aspects of the funeral business and I have asked the industry to improve consumer protection.

Renewable Energy

Mr. Stunell: To ask the President of the Board of Trade, pursuant to her answer of 7 April 1998, *Official Report*, column *161*, if she will list the UK Government's reservations on the European Commission draft white paper on renewable energy; and if she will make a statement. [39735]

Mr. Battle: The Government are working for a positive resolution at the Council of Ministers on 11 May, which:

agrees the need to promote a sustained and substantially increased use of renewable sources of energy throughout the European Union;

welcomes the White Paper on a Community strategy and action plan;

to that end, urges Member States to develop national strategies and structures for the promotion of renewables to bring about an increase in the use of renewable energy throughout the European Union, as we in the UK are already doing; and

invites the Commission to bring forward proposals for its "Campaign for Take Off".

Confidential Information

Mr. Jim Cunningham: To ask the President of the Board of Trade what action she is taking to prevent the misuse of confidential information regarding employees' private lives in the workplace. [39591]

Mr. Ian McCartney: The Data Protection Act 1984, which regulates the use of computerised data, applies to personal data of employees. The Data Protection Bill now before Parliament strengthens the protection provided by the 1984 Act consistent with the requirements of the 1995 EC Data protection Directive.

Research Projects

Mr. Ian Taylor: To ask the President of the Board of Trade (1) what plans she has to withdraw the case against the European Commission challenging the Commission's funding of research projects on the budget line B3–4104; [38333]

(2) what contingency plans the Government have for alternative funding of UK research projects on which the European Commission has signed agreement but not made any payments, if the judgment by the European Court of Justice is not in the European Commission's favour; [38334]

(3) when the European Court of Justice is expected to give its final judgment with regards to the court case between the Government and the European Commission on funding of research projects on the budget line B3–4104. [38335]

Mr. Milburn: I have been asked to reply.

I believe the hon. Member is referring to the case brought by the United Kingdom to the European Court of Justice in July 1996 challenging spending by the European Commission under budget line B3–4104 on "Measures to assist the elderly 1996".

The European Court of Justice is not expected to give its final judgment in this case for many months. The Government announced their decision to maintain the challenge in a written reply from my hon. Friend the Economic Secretary to my hon. Friend the Member for

East Ham (Mr. Timms), on 4 November 1997, *Official Report*, column *103*. The reason for the Government's decision to persist with the legal challenge was explained in that earlier reply. We do not intend to withdraw the challenge and have no contingency plans for alternative funding of United Kingdom projects on which the European Commission has signed funding agreements but not made payments if the European Court of Justice rules against the Commission.

TREASURY

International Debt

Ms Drown: To ask the Chancellor of the Exchequer what criteria exist for refusing debt relief to countries which otherwise meet the Heavily Indebted Poor Countries criteria; and if he will list the countries to which they apply. [39666]

Mrs. Liddell: All the creditors of the Paris Club, and members of the IMF and World Bank Boards, have given their support to the HIPC initiative. Countries that qualify for assistance under the Heavily Indebted Poor Countries (HIPC) initiative will receive it.

Royal Mint

Mr. Derek Twigg: To ask the Chancellor of the Exchequer what changes he will make to the performance targets for the Royal Mint for 1998–99. [40237]

Mrs. Liddell: I have set the Royal Mint the target of achieving a rate of return on average net assets of 14.3 per cent. for 1998–99 which is an increase over the target of 14 per cent. set for 1997–98.

Ecofin

Ms Lawrence: To ask the Chancellor of the Exchequer if he will make a statement on the Council meeting of the Economic and Finance Ministers of the European Union held on 21 April. [40238]

Mr. Gordon Brown: I chaired the Economic and Finance Council—Ecofin—of the European Union in Brussels on 21 April. The Economic Secretary represented the UK.

The Council began by briefly considering how it should handle the Commission's Recommendations on practical aspects of the introduction of the euro. It now seems likely that the Council will note these at some point over the EMU weekend.

The Council went on to discuss a Commission preliminary paper on pan-European risk capital markets, as part of its follow-up to the Luxembourg Jobs Summit. The paper's approach was broadly welcomed, and Member States were willing to exchange best practice, and to consider what further action might be necessary to promote risk capital, whilst emphasising the need to respect subsidiarity. The Commission will report back with further work.

Linked to this, as part of Ecofin's contribution to the employment initiative, was the Council's political agreement on the package of financial assistance measures for innovative and job-creating SMEs. These two items together are confirmation of the Presidency's achievement in swiftly realising two important mandates from the Jobs Summit, and progressing the economic reform agenda.

The Council agreed in principle to balance of payments support for Bosnia and Albania, subject to the details of the grant element, budget constraints, and other lending criteria.

NORTHERN IRELAND

Public Investment

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland if she will list the levels of public investment in the constituencies of *(a)* Belfast, West, *(b)* Foyle and *(c)* Belfast, South for the last three years for which figures are available, excluding social security payments. [27964]

Mr. Paul Murphy *[holding answer 10 February 1998]:* Information on public expenditure is not held at constituency level.

Mr. Brian Nelson

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many names were contained in files in the possession of Mr. Brian Nelson at the time of his arrest. [37741]

Mr. Ingram: At the time of Mr. Nelson's arrest he was not in possession of any files or otherwise incriminating material. Subsequent examination of documentation in the possession of military authorities indicated many names appearing on files associated with Mr. Nelson. Mr. Stevens' investigations included detailed consideration of all these matters and appropriate action was taken either in terms of criminal charges being preferred or appropriate recommendations about future methods of handling sensitive intelligence.

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many officers involved in the handling of Mr. Brian Nelson were interviewed under caution subsequent to his arrest; and how many were subsequently (i) charged, (ii) promoted and (iii) given meritorious service awards. [37804]

Mr. Ingram: This information is not readily available and will take some time to research. I will write to my hon. Friend as soon as possible.

Stevens Inquiry

Mr. McNamara: To ask the Secretary of State for Northern Ireland on what date each of the recommendations of the Stevens Inquiry was implemented. [37736]

Mr. Ingram: All of the recommendations accepted by the RUC were implemented by May 1995.

The only recommendation not accepted was in relation to the suggested formation of an anti-terrorist branch.

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many members of the Ulster Defence Regiment the RUC was asked to arrest by Mr. John Stevens and how many were *(a)* arrested, *(b)* questioned and *(c)* charged. [37739]

Mr. Ingram: The RUC were asked to arrest 30 members of the UDR; 30 were arrested and questioned and nine were charged.

Mr. McNamara: To ask the Secretary of State for Northern Ireland if she will publish *(a)* the findings of the investigation of the fire at the Seapark RUC facility at Carrickfergus in January 1990 and *(b)* the assessment made by Mr. John Stevens of that investigation. [37806]

Mr. Ingram: The intensity of the fire and the resultant damage meant that the cause of the fire could not be categorically established. However, the investigation concluded that it had been started accidentally.

It is important to note that the fire did not prevent the Stevens Team from taking any appropriate investigative actions, nor were any of their intended investigative actions impeded as a result of the fire. All evidence that had been gathered was stored in duplicate on computer in Great Britain.

Millennium Compliance

Mrs. Gillan: To ask the Secretary of State for Northern Ireland if all the computer systems used by the emergency services in Northern Ireland will be millennium compliant by 31 December 1998. [39896]

Mr. Paul Murphy *[holding answer 27 April 1998]:* Plans received from the Northern Ireland Ambulance Service indicate that all their computer systems will be year 2000 compliant by 31 December 1998.

The year 2000 plans of the Northern Ireland Fire Authority indicate that full compliance will be achieved by July 1999.

The majority of the Royal Ulster Constabulary's operational and administrative systems will be compliant by December 1998. The few remaining will be made compliant early in 1999.

Police Complaints

Dr. Iddon: To ask the Secretary of State for Northern Ireland when she will lay before Parliament the 1997 Annual report of the Independent Commission for Police Complaints for Northern Ireland; and if she will make a statement. [40173]

Marjorie Mowlam: The 1997 Annual Report of the Independent Commission for Police Complaints is being laid before Parliament today. The report, which follows the format of previous years, comments on the work of the Commission in 1997, and looks forward to the establishment of the Office of Police Ombudsman for Northern Ireland. I am pleased to see the welcome from the Commission for the establishment of the Police Ombudsman through the Police (Northern Ireland) Bill. The Commission contributed to Dr. Maurice Hayes' review of the police complaints system, and Dr. Hayes acknowledged in his report the assistance he had received from the Commission.

The Government are committed to see the Police (Northern Ireland) Bill's passage through Parliament completed, to enable the new Office to be established by March 1999. There is a good deal of work still to be done at a practical level to implement the Bill; and I am grateful to the Commission for their willing and constructive involvement in this important task.

The Government have no doubt that the proposals made by Dr. Hayes, which received such widespread support, and which we believe are fully reflected in the Bill, will command public and police confidence. These, like the rest of the changes in the Bill, represent the Government's determination to secure genuine improvements to policing, and to increase further public confidence in and active support for the police service.

The report notes that 1997 was marked by an increase in complaints made against the police, to the highest level ever recorded by the Commission. The number of complaints rose from 2,545 in 1996 to a total of 3,111 in 1997, which constituted a rise of 22 per cent. compared to a rise of 9 per cent in 1996. The increase can be explained, to some extent at least, by the large numbers of complaints arising from Drumcree, the Derryhirk Inn incident and the events in the Lower Ormeau Road in July 1996, for which complaints were not lodged until 1997.

I should like to record the Government's thanks to the Chairman and Members of the Commission, particularly after such a busy year, for their excellent work. I would also like to thank the staff of the Commissions, who will form the core of the staff of the Police Ombudsman's office, and are already preparing for their new task. I am sure they will provide an excellent service to the Ombudsman.

Government policies on policing in Northern Ireland whether about police complaints and changes to policing structures in the Police Bill, or the remit given to the Commission on Policing by the Agreement, are designed to improve the police service. We want to make it even more professional, effective, efficient, fair, impartial and acceptable; to ensure it is properly accountable for its work; and that it can command widespread community support, as the Royal Ulster Constabulary, the Police Authority, and the ICPC have themselves striven, in very difficult circumstances, to achieve. Many important changes are dependent on the development of a genuinely peaceful environment. But the history of the last 30 years shows that even while terrorist threats from disaffected elements continue, worthwhile changes can be made.

We now have the opportunity for a new beginning. I believe that the RUC, the ICPC and the Police Authority, who have worked to bring this opportunity about, are eager to make the best use of it; the ICPC Report illustrates this, looking forward to a changed future, with the creation of the Police Ombudsman.

PRIME MINISTER

Newspaper Editors

Mr. Gale: To ask the Prime Minister when he last met the *(a)* Editor of The Times, *(b)* Editor of The Sun, *(c)* Editor of The Sunday Times, *(d)* proprietors of The Daily Mirror Group, *(e)* Editor in Chief of The Daily Mirror, *(f)* Editor of The Independent, *(g)* proprietors of Guardian Newspapers, *(h)* Editor of The Guardian, *(i)* Editor of The Observer, *(j)* Proprietor of The Daily Telegraph, *(k)* Editor of the Daily Telegraph, *(l)* Editor of

the Sunday Telegraph, *(m)* Proprietor of the Daily Mail, *(n)* Editor of The Daily Mail, *(p)* Editor of the Mail on Sunday, *(q)* Proprietor of Express Newspapers, *(r)* Editor of the Daily Express, *(s)* Editor of The Sunday Express and *(t)* Editor of The Evening Standard. [38795]

The Prime Minister *[holding answer 20 April 1998]:* I meet regularly with newspaper proprietors, editors and journalists in order to communicate government policy as all my predecessors have, and as all serious political leaders do. As has always been the practice, details of each meeting are not made public.

Asbestos

Mr. Cohen: To ask the Prime Minister if he will make a statement on his discussions on the issue of asbestos with the Canadian Prime Minister. [39747]

The Prime Minister: In discussions with the Canadian Prime Minister, M Jean Chretien, I have made clear that restrictions on the use of any form of asbestos in the UK are made on the basis of sound scientific evidence.

Nuclear Waste

Ms Roseanna Cunningham: To ask the Prime Minister what discussions he has had with the President of the United States of America regarding *(a)* nuclear waste, *(b)* the nuclear reprocessing plant at Dounreay and *(c)* nuclear fuel at Tbilisi, Georgia; what advice he has sought regarding the environmental impact of importing radioactive materials into Scotland; what discussions he has had with the Secretary of State for Scotland regarding the transfer of radioactive material from Georgia to Dounreay; and if he will make a statement. [39917]

The Prime Minister *[holding answer 27 April 1998]:* The United Kingdom is playing its part in ensuring non-proliferation of nuclear material, alongside the action of the United States, Russia and other European countries, by taking responsibility for a small quantity of nuclear material from a research site which was at risk in Georgia. This decision was taken in the normal way in consultation with Cabinet colleagues.

The relevant authorities which have responsibility for the proper handling of nuclear materials within this country, including the Nuclear Installations Inspectorate and the Scottish Environment Protection Agency, were consulted before the transfer was made, and accepted the Government's decision.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Ferrybridge C Power Station

Dr. Gibson: To ask the Secretary of State for the Environment, Transport and the Regions what mechanisms exist for requiring PowerGen to fit Ferrybridge C power station with flue gas desulphurisation. [39361]

Mr. Meacher: The Environment Agency authorises Ferrybridge Power Station under Part I of the Environmental Protection Act 1990. It is open to the Agency to vary the conditions of PowerGen's authorisation to require such changes as it sees fit for ensuring the use of the best available techniques not entailing excessive cost ("BATNEEC") for the purpose of preventing polluting emissions, or minimising such emissions and rendering them harmless. The Secretary of State also has power to direct the Environment Agency to include conditions in the PowerGen authorisation on this basis.

Unfit Dwellings

Dr. Tonge: To ask the Secretary of State for the Environment, Transport and the Regions what proportion of dwellings in the private rented sector were, as defined by the Housing Act 1985, *(a)* unfit for human habitation, *(b)* not unfit for human habitation but in serious disrepair and *(c)* lacking basic amenities at the latest available date. [39334]

Mr. Raynsford: Our latest available information indicates that 17.9% of occupied private rented sector dwellings are unfit for human habitation and 1.8% lack one or more of the basic amenities. Information is not available on the number of private rented sector dwellings that are not unfit but in serious disrepair. However it is possible to estimate, on a different definition to that in the 1985 Act, that some 6.4% of privately rented housing is fit but suffers from substantial disrepair.

Water Charges

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions what research he has *(a)* commissioned and *(b)* evaluated into different tariff structures for water charging. [39642]

Angela Eagle: My Department has commissioned or partly funded the following recent published research:

W. S. Atkins (1992). "The Social Impact of Water Metering: Summary". Birmingham, UK: Department of the Environment and Office of Water Services;

National Metering Trials Working Group (1993). "National Metering Trials Final Report." UK: Water Services Association; and

Department of the Environment, Transport and the Regions and Welsh Office (1 April 1998) "Council tax bands as the basis for charging households", in "Water Charging in England and Wales—A New Approach". UK, DETR and Welsh Office. A fuller report of this research will be published shortly.

We are aware of a range of further recent work which is relevant to tariff structures for water charging, including:

Achtienribbe, G., V. Homer, E. Papp and W. Wiederkehr (1992). "International Comparison of Drinking Water Prices." Aqua Vol. 41 No 6, 3 60–3 63.

Ballance, A. J. (1996). "Supply and Demand: The Importance of Demand Management." Water Environment '96, London: Chartered Institution of Water and Environmental Management and Institution of Civil Engineers.

Binnie, C. J. A. (1992). "Demand Management, Tariffs and Metering." London: Institution of Water and Environmental Management, Paying for Water Symposium.

Bowler, P. (1997). "Paying for Water." Waterwatch, 259 South Street, Rotherham, South Yorkshire S61 2NW.

British Medical Association (1994), "Water: A Vital Resource", Board of Science and Education, London.

California Urban Water Conservation Council (1994), "Setting Urban Water Rates for Efficiency and Conservation", USA.

Chesnutt, T. W., Anil Bamezai and W. Michael Hanemann (1993). "Revenue Instability Induced by Conservation Rate Structures: An Empirical Investigation of Coping Strategies." Conserv'93 paper 2C-5. Denver, USA: American Water Works Association.

Cowley, Tom (1995). "The Company-Wide Introduction of Encoded Meters for Customers: Policy and Implementation". Water Metering Technology and Practice Seminar. London: Society of British Water Industries.

Consumers' Association (1996), "Water Consumption and Charges", Policy Report, London.

Cunninghame, Griffin, Laws (1996) "Water Tight: The Impact of Water Metering on Low-Income Families", Save The Children.

Dietz, Cynthia and Judi Ranton (1995). "Targetted Programming for Low Income Households." Conserv'96 paper I OC-3. Denver, USA: American Water Works Association.

Dziegielewski, B. (1990). "Estimating Price Elasticity of Demand for Water: The Impact of Conservation Rate Structures." In Michael W. Bloome, ed., "Rate Structures to Promote Conservation: Conference Proceedings." USA: Delaware River Basin Commission and New York City Waterboard.

Environment Agency (1998). "A Review of Tariffs for Public Water Supply (A Report to the Environment Agency)" J. Pezzey and G. A. Mill.

Federico, K. (1990). "Experience in Mandating Water Conservation Pricing In Palm Beach County". In Michael W. Bloome, ed., "Rate Structures to Promote Conservation: Conference Proceedings." USA: Delaware River Basin Commission and New York City Waterboard.

Fox, T. P. (1995). "Analysis, Design and Implementation of a Conservation Rate Structure." Conserv'96 paper 2F-1. Denver, USA: American Water Works Association.

Griffith, Fred P. (1990). "Peak Use Charge: Customer Relations." In Michael W. Bloome, ed., "Rate Structures to Promote Conservation: Conference Proceedings." USA: Delaware River Basin Commission and New York City Waterboard.

Hall, Darwin C. and W. Michael Hanemann (1996). "Urban Water Rate Design Based on Marginal Cost." In Darwin C. Hall, ed., "Advances in the Economics of Environmental Resources: Vol 1." LTK:JAI Press.

Hansen (1996), "Water and Energy Price Impacts on Residential Water Demand in Copenhagen", Land Economics, 72(1), 66–79.

Herrington, Paul (1997a). "Pricing Water Properly." In Timothy O'Riordan, ed., "Ecotaxation." London: Earthscan.

Hewitt, Hanemann (1995), "A Discrete/Continuous Choice Approach to Residential Water Demand Under Block Rate Pricing", Land Economics 72(1), 2159–67.

IFS (Institute of Fiscal Studies)(1993). "The Distributional Effects of Different Methods of Charging Households for Water and Sewerage Services." Birmingham, LTK: Office of Water Services.

Jordan, J. L. (1995). "A Case Study of Using Price to Conserve Water". Conserv'96 paper 6F-3. Denver, USA: American Water Works Association.

Merio, G. (1994). "Policies of Tariffs: National Report Italy." Water Supply, Vol 12 No 1, IR3–27 to IR3–29.

Mid Kent Water PLC (1997). "Meter Pilot Project: Report 1".

National Consumer Council (1991). "Paying for Water".

New Policy Institute (1997). "Fair and Sustainable: Paying for Water".

Nieswiadomy, Michael L. (1992). "Estimating Urban Residential Demand: Effect of Price Structure, Conservation and Education." Water Resources Research, Vol 28, 609–615.

OFWAT (1990). "Paying for Water: A Time for Decisions." Birmingham, UK: Office of Water Services.

OFWAT (1991). "Paying for Water: The Way Ahead." Birmingham, UK: Office of Water Services.

OFWAT (1994). "A Better Deal for Metered Customers: A Report on Tariff Rebalancing and Improvements in Optional Metering Schemes." Birmingham, UK: Office of Water Services.

OFWAT (1996). "1995–96 Report on the Cost of Water Delivered and Sewage Collected." Birmingham, UK: Office of Water Services.

OFWAT (1997). "1997–98 Report on Tariff Structure and Charges." Birmingham, UK: Office of Water Services.

OFWAT (1997). "Tariff Rebalancing and the Tariff Basket." Birmingham, UK: Office of Water Services.

OFWAT (1997). "Water Pricing: Importance of Long Run Marginal Costs." Birmingham, UK: Office of Water Services.

Ozog, M. T. (1995). "Price Elasticity and Net Lost Revenue." Conserv'96 paper 6F-2. Denver, USA: American Water Works Association.

Raftelis, G. A. (1993). "Comprehensive Guide to Water and Wastewater Financing and Pricing." 2nd edition. USA:Lewis.

Renzetti, S. (1992). "Evaluating the Welfare Effects of Reforming Municipal Water Prices". Journal of Environmental Economics and Management, Vol 22, 147–63.

Russell, D. F. and C. P. N. Woodcock (1994). "Policies of Tariffs: National Report USA." Water Supply, Vol 12 No 1, ER3–37 to IR3–43.

Schneider, M. L. and E. E. Vbtlatch (1991). "User-Specific Water Demand Elasticities." Journal of Water Resources Planning and Management—ASCE, Vol 11 7 No 1, 52–73.

Stevens, T. H., J. Miller and C. Willis (1992). "Effect of Price Structure on Residential Water Demand." Water Resources Bulletin, Vol 28 No 4, 681–685.

Sullivan, Dean (1995). "European Water Charges: A Comparison of 17 Cities." Centre for the Study of Regulated Industries and Chartered Institute of Public Finance and Accountancy.

Thackray, John (1996). "An Overview of Current Water Use and Charges in the UK Compared to Other Countries." In Water—Conservation and Re-Use. London: Chartered Institution of Water and Environmental Managers.

Whitcomb, J. B., J. W. Yingling and Marvin Winer (1993). "Residential Water Price Elasticities in Southwest Florida." Conserv'93 paper 2C-6. Denver, USA: American Water Works Association.

Wiederkehr, W. (1994). "Policies of Tariffs." Water Supply, ol 12 No 1, IR3–1 to IR3–11.

Woo, C. K. (1992). "Drought Management, Service Interruption and Water Pricing—Evidence from Hong Kong." Water Resources Research, Vol 28 No 10, 2591–2595.

We are also aware of other research which has yet to be published.

London Taxis

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions what role *(a)* he and *(b)* other Government ministers play in determining the tariff structure set by the London Taxi Board; and what criteria are used in setting the tariff structure. [39458]

Ms Glenda Jackson: The London Taxi tariff is set not by the London Taxi Board, but by the Secretary of State by statutory instrument. The Secretary of State's decision is taken with reference to a formula established in 1980, which takes into account the various costs involved in operating a taxi in London. I announced in a written answer on 8 April 1998, *Official Report*, column *307*, the new fares applying from 25 April.

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions if uncorroborated complaints against taxi cab drivers are kept in their personal files by the Public Carriage Office. [39485]

Ms Glenda Jackson: Brief details of all complaints against licensed London taxi drivers are kept in their personal files by the Public Carriage Office. All such complaints will have been the subject of an investigation or inquiry. Complaints are not recorded as "corroborated" or otherwise.

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions for what reasons cabs appointed by the Public Carriage Office are required to have 6-ply-rated taxi tyres. [39486]

Ms Glenda Jackson: 6-ply-rated tyres are specified for London taxis by their manufacturers to ensure that they have the appropriate load and speed characteristics and adequate wear resistance, particularly at the shoulders. The Public Carriage Office requires the tyres to be marked "taxi" to indicate that they are approved for use on London taxis and are of the appropriate circumference to ensure accurate meter readings.

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions for how long records of court convictions are retained by the Public Carriage Office in a licensed driver's personal file. [39487]

Ms Glenda Jackson: Such records are retained on a driver's personal file for as long as the individual remains licensed.

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions what percentage of taximeters have to be retested and resealed by the BSI and again by the Public Carriage Office during the period of the annual cab licence. [39488]

Ms Glenda Jackson: All taximeters are returned to the BSI for testing once every 12 months and are sealed to certify accuracy of the instrument. In addition each taxi has its meter installation checked during the taxi's annual inspection by the Public Carriage Office (PCO) to ensure that the BSI seal is intact and up to date, that all linkages are sealed against tampering, and that the meter as installed is registering correctly over a measured distance.

During 1997 the BSI tested 25,358 taximeters of which 884 failed and the PCO tested 20,293 meter installations of which [illegible] failed.

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions what driving examination qualification Public Carriage Office test examiners are required to hold. [39467]

Ms Glenda Jackson: Although the legislation allows for any Public Carriage Examiner to conduct taxi driving tests, the Public Carriage Office permits only those examiners who have been certified by the Metropolitan Police Driving School at Hendon to conduct taxi driving tests.

The examiners are re-assessed by the Police Driving School at intervals of about five years.

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions what *(a)* total ceiling and *(b)* annual ceiling the Public Carriage Office places on the number of cab driver licences issued in London. [39471]

Ms Glenda Jackson: All individuals who meet the requirements of the Public Carriage Office in respect of good character, medical fitness, topographical knowledge of London and driving ability in a London taxi are licensed. There are no ceilings on the numbers of licences issued.

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the turning circle of *(a)* the LTI/TXI taxi cab and *(b)* Metrocab Series III in taxi cabs approved by the Public Carriage Office as being in roadworthy condition. [39460]

Ms Glenda Jackson: The precise turning circle for each vehicle is a matter for the manufacturers. The Public Carriage Office (PCO) is satisfied that both types of vehicle comply with the turning circle requirements of the Metropolitan Conditions of Fitness for London taxis, namely that they are capable of being turned on either lock so as to proceed in the opposite direction without reversing between parallel planes 8.535 metres apart, and that the wheel turning circle kerb to kerb on either lock is not less than 7.62 metres in diameter.

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions if he will introduce a requirement to make a U-turn in Public Carriage Office driving tests. [39462]

Ms Glenda Jackson: I have no plans to do so.

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions how many *(a)* central and *(b)* suburban cab driver licences were (i) issued and (ii) surrendered in 1996 and 1997; and how many are forecast to be issued in 1998. [39469]

Ms Glenda Jackson: The figures are as follows:

Taxi driver licences	*Issued*	*Of which new licences issued*	*Surrendered*
1996 all-London	7,131	575	398
1997 all-London	6,753	415	341
1998 estimated all-London	6,957	588	332
1996 suburban	619	122	25
1997 suburban	762	188	29
1998 estimate suburban	773	240	16

Note:
That the figures for licences issued (second column) comprise renewals as well as new drivers' licences issued. The latter are shown separately in the third column.

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions what educational qualifications and vocational experience are required of Public Carriage Office knowledge of London examiners. [39473]

Ms Glenda Jackson: The primary requirement of Public Carriage Office Knowledge of London examiners is that they have undertaken and successfully passed the "All-London" Knowledge of London topographical

examination, or that they are able to demonstrate a similarly detailed knowledge of the Metropolitan Police District.

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions what is the purpose of the Public Carriage Office cab driving test. [39468]

Ms Glenda Jackson: A London taxi has particular driving characteristics associated with its size, weight and turning ability. The Public Carriage Office taxi driving test is designed to test a candidate's ability to drive such a vehicle safely in London's traffic conditions with consideration for passengers and other road users.

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions what market surveys and other evidence is used by the Public Carriage Office to establish market demand for taxi cabs in London. [39472]

Ms Glenda Jackson: None. There is no limitation imposed by the Public Carriage Office on the number of taxis or taxi drivers licensed in London; all that meet the necessary standards are licensed. It is up to individuals to decide whether to seek to enter the London taxi trade.

However, my Department has commissioned a study into the supply and demand for taxis at different times of the day and in different parts of London, with a view to assessing whether any change in the structure of the taxi fares tariff would be appropriate.

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions for what reasons taximeters are removed, retested and resealed by the BSI and again by the Public Carriage Office as part of the annual relicensing vehicle road test. [39461]

Ms Glenda Jackson: Meters are not removed from taxis by the BSI or by the Public Carriage Office (PCO); they are removed by the meter companies or their authorised agents.

Whenever seals are broken they are replaced by the BSI, or by the PCO, as appropriate, in order to maintain the integrity of the meter installation. Seals may get broken during the course of repairs to the meter itself, the transducer, the driver cable or its illumination. Seals may also be broken following an accident, or during repairs to the taxi's transmission.

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions how many applicants in respect of knowledge of London attended the Public Carriage Office's initial talks in 1996 and 1997 after being accepted as cab driver trainees. [39470]

Ms Glenda Jackson: The number was 3,357 in 1996, and 4,107 in 1997.

Car Sharing

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions what steps he has taken to introduce taximeter-controlled car-sharing in suburban areas for commuters. [39459]

Ms Glenda Jackson: Existing legislation already provides for the establishment of taxi-sharing schemes. I have no plans to provide for introduction of taxi meters into private cars, which could give rise to confusion with licensed taxis.

Farm Plastics

Mrs. Anne Campbell: To ask the Secretary of State for the Environment, Transport and the Regions (1) what is the Government's policy towards the collection and recycling of plastics used on the farm; [39490]

(2) if he will introduce a compulsory levy scheme to fund the collection and recycling of farm plastics. [39491]

Angela Eagle: We were extremely disappointed to hear of the collapse of the Farm Films Producers Group in early 1997, an industry-led scheme which organised the collection and recycling of plastic films used on the farm. It seems that the principal cause was that certain importers were not prepared to participate on a voluntary basis and that the competitive advantage thus created led to the collapse of the scheme. We are currently considering what options are likely to be most effective in this area and hope to have proposals available for consultation shortly.

MDI

Mr. Levitt: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the toxicity of the isocyanate MDI. [39573]

Angela Eagle: In preparation for EU negotiations under the Dangerous Substances Directive, expert toxicologists from the Health and Safety Executive have assessed evidence, supplied by Sweden, on the toxicity of MDI. They have concluded that the evidence meets the criteria for classification as Toxic, by inhalation, sensitising, by inhalation and by skin contact; and irritating to skin, eyes and the respiratory tract.

Mr. Levitt: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the Swedish proposal for the EU to reclassify MDI from harmful to toxic. [39574]

Angela Eagle: In preparation for EU negotiations under the Dangerous Substances Directive, expert toxicologists from the Health and Safety Executive have assessed evidence, supplied by Sweden, on the acute toxicity by inhalation of MDI. On the basis of the evidence, the UK experts supported the Swedish proposal. The European Commission will now consider the next steps.

Environmentally Friendly Vehicles

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions if he will institute an annual assessment of the most environmentally friendly vehicles produced by British-based manufacturers. [39672]

Ms Glenda Jackson: The Government recognise the strong role that information on the environmental performance of vehicles has to play in developing the market for greener vehicles, alongside fiscal and other instruments. Information on fuel economy for individual models of passenger car has been published for some

years in the Government's bi-annual "New Car Fuel Consumption Booklet"; this publication has recently been expanded to include details of CO_2 emissions on the same model by model basis. Discussions with the industry on the further expansion of the booklet to include information on pollutants which affect local air quality, e.g. NOx and particulates, are being taken forward under the auspices of the Cleaner Vehicles Task Force.

Traffic Congestion

Mr. Sanders: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to her oral statement of 1 April, *Official Report*, column 1231, when she expects to write to the hon. Member for Torbay on traffic congestion measures. [39614]

Ms Glenda Jackson: I will write to the hon. Member shortly.

Countryside Policies

Mr. Fraser: To ask the Secretary of State for the Environment, Transport and the Regions when the Government will publish the next report on their policies for the countryside; if the relevant statistics will be prepared after consultation with recognised countryside and wildlife groups; and if he will make a statement. [39905]

Mr. Meacher: Ministers are continuing to consider the best way to take forward and present the Government's policies for the countryside. We will continue to collect and monitor a wide range of statistics on the countryside, and to meet and discuss policy with many countryside and wildlife groups.

West Coast Main Line

Mr. Hoyle: To ask the Secretary of State for the Environment, Transport and the Regions what feasibility studies his Department has evaluated on methods of adapting bridges for the West Coast Main line to enable transportation of freight. [39767]

Ms Glenda Jackson: It is for Railtrack to carry out the necessary preparatory work and it has undertaken feasibility studies on upgrading the West Coast Main Line route for both 9'6" containers and piggyback vehicles. The Department is appointing consultants to audit the engineering costs. As part of that audit, we would expect Railtrack to tell our consultants how it plans to carry out necessary work to bridges on the route in the most cost effective way possible and so as to minimise disruption to services.

Regional Railways

Mr. Barry Jones: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he has had with Regional Railways on measures to be taken to improve the quality and frequency of service between North Wales, Chester and Cardiff; and if he will make a statement. [39852]

Ms Glenda Jackson: These are matters for the Franchising Director, who holds regular reviews with all the franchised train operating companies. He requires operators to plan to provide a minimum level of service frequency through their Passenger Service Requirements (PSRs), which are a key part of the franchise agreements, and oversees their performance. The Franchising Director has powers to support new services which are not commercially viable, and would use his "Criteria for the Appraisal of Support for Passenger Rail Services" to appraise business cases for support from his budget; those Criteria are in the Library of the House. The Government are committed to establishing a National Rail Authority to provide a clear, coherent and strategic programme for the development of the railways.

London Underground

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions how much of the investment to be made in London Underground in the two years from April will be allocated to each of the projects mentioned in his oral statement of 20 March 1998, *Official Report*, columns 1539–42 and what proportion of the funding has been specifically earmarked for access projects. [39944]

Ms Glenda Jackson: As a result of the £365 million of additional funding the Deputy Prime Minister has announced, total investment in the existing network over the next two years will be around £1 billion. London Underground is currently developing the details of its investment programme, including how to accelerate its plans to improve the accessibility of the network. It is not possible at this stage to say what proportion of the additional funding will be spent on specific projects, but the programme will be designed to ensure that the benefit of the additional funding is maximised.

County Structure Plans

Mr. Harvey: To ask the Secretary of State for the Environment, Transport and the Regions if he will reduce the levels of housing provision in emerging county structure plans in counties where he assesses development could seriously damage the environment. [40100]

Mr. Raynsford: The Town & Country Planning (Development Plan) Regulations 1991 require planning authorities to have regard to environmental considerations in preparing structure plans and Part 1 of Unitary Development Plans. The environmental implications of plan policies should be appraised as part of the plan preparation process. It is for the planning authority to determine the level of housing provision in emerging structure plans in the light of these considerations.

The Secretary of State examines development plans carefully to identify whether they are consistent with national and regional planning guidance and whether there are conflicts with the guidance which do not appear to be justified by local circumstances. He can object to plan proposals prior to their adoption, and also has powers of intervention to direct plan proposals to be modified before adoption.

Mr. Harvey: To ask the Secretary of State for the Environment, Transport and the Regions if he will require the new policies set out in Planning for the Communities of the Future to be reflected in the current round of emerging county structure plans (up to 2011). [40097]

Mr. Raynsford: I refer the hon. Member to the reply my hon. Friend the Minister for the Regions, Regeneration and Planning gave to my hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck) on 1 April 1998, *Official Report*, columns *530–31*.

Teesside Development Corporation

Dr. Kumar: To ask the Secretary of State for the Environment, Transport and the Regions when the Government will publish the report on the outcome of the transfer of powers and responsibilities in respect of the Teesside Development Corporation. [39957]

Angela Eagle: The Teesside Development Corporation's planning powers were transferred to the local planning authorities on 25 March 1998 by Statutory Instrument (SI 1998/84). Responsibility for the Tees Barrage and the Corporation's residual property, rights and liabilities were transferred to the Commission for the New Towns on 1 April 1998, again by Statutory Instruments, (SI 1998/570) and (SI 1998/85). The Department has no plans to publish a separate report on the transfer of the Corporation's powers and responsibilities, but would expect the Corporation's Annual Report for 1997/98 to include details of the arrangements it made to wind-up its affairs and transfer unfinished schemes to successor bodies for completion.

Dr. Kumar: To ask the Secretary of State for the Environment, Transport and the Regions if he will publish the annual accounts for Teesside Development Corporation. [39956]

Angela Eagle: Yes, the Corporation has a statutory obligation to publish its Accounts. It is also required to make an Annual Report to the Secretary of State which will be laid before both Houses of Parliament. The Corporation is currently preparing both documents. The Department is aiming for the Annual Report and Accounts for 1997/98 to be laid before Parliament before the Corporation is finally dissolved on 1 July.

CrossRail

Mr. Bercow: To ask the Secretary of State for the Environment, Transport and the Regions (1) what progress has been made towards the implementation of the CrossRail project; and if he will make a statement; [39995]

(2) if he will assess the advantages of allowing an application under the Transport and Works Act 1992 for powers to build CrossRail. [40091]

Ms Glenda Jackson: The Government are currently awaiting Railtrack's considered advice on Crossrail, including its possible attractiveness for private sector finance. The project will be reviewed in the light of Railtrack's conclusions, once received, and of the Government's own plans for restructuring transport priorities and responsibilities for London.

Health and Safety at Work

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions what steps he is taking to ensure that small and medium sized firms carry out a full assessment of workplace hazards to women of child-bearing age, in accordance with the Management of Health and Safety at Work Regulations 1994. [39592]

Angela Eagle: All employers, including those responsible for small and medium sized firms are, amongst other duties, required by the Management of Health and Safety at Work Regulations 1992, amended in 1994, to assess the risks to workers, including women of childbearing age. Health and Safety Inspectors may, where appropriate, consider the adequacy of action taken during visits to firms.

Leaded Paint

Miss Melanie Johnson: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 21 April 1998, *Official Report*, column *552*, if he will list the Government departments, industry representatives and technical and design experts with whom consultations on publicising the dangers of lead in painted surfaces have taken place. [40031]

Angela Eagle: The Department of the Environment, Transport and the Regions has attempted to strike a balance between obtaining sufficient advice and being in a position to publicise the dangers of lead in paint and provide updated information to the public at the earliest opportunity. We do not consider that the consultations which we have so far conducted are exhaustive and we will continue to consult widely on risks from lead in all media as part of our strategic review of chemicals in the environment.

To date, the other Government Departments which we have consulted on the dangers of lead in painted surfaces have been the Departments of Health and of Trade and Industry, the Health and Safety Executive and English Heritage.

In addition, we have consulted the British Coatings Federation, which incorporates the Paint Makers Association, and certain individual paint manufacturers, including ICI. Further consultation with the Consumers Association, the Paint Research Association, the Lead Awareness Group, the Association of Painting Craft Teachers, and the Construction Industry Training Board has been conducted on the Department's behalf by the Building Research Establishment.

The Portable Electric Tool Manufacturers' Advisory Panel have been made aware that consultations were being undertaken, but have not so far contributed. Some discussions have also been held with Local Authorities.

Miss Melanie Johnson: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 21 April 1998, *Official Report*, columns *551–52*, if he will list the representations he has received in the 12 months prior to October 1997 on the dangers of lead in painted surfaces. [40032]

Angela Eagle: In the 12 months prior to October 1997, the Department received no individual representations from Members of Parliament on lead in paint. In the same period, the Department received five private inquiries from members of the public on the same topic.

London Regional Transport

Mr. Ottaway: To ask the Secretary of State for the Environment, Transport and the Regions if he will give the reasons for the dismissal of Mr. Peter Ford as Chairman of London Regional Transport and the level of compensation paid. [39969]

Ms Glenda Jackson: I refer the hon. Member to the reply my right hon. Friend gave on 22 April 1998, *Official Report*, column *611*. The compensation payable to Mr. Ford has now been agreed at £290,000 and will be paid shortly.

New Housing (Kent)

Sir John Stanley: To ask the Secretary of State for the Environment, Transport and the Regions what is the planned figure for new housing in Kent over the next *(a)* 10 years and *(b)* 20 years; and in each case what number is planned for single person households and what number for families. [39993]

Mr. Raynsford: The amount of new housing proposed by Kent Structure Plan Third Review for the period 1991–2011 is 116,000. This figure conforms to the advice provided in RPG9—Regional Planning Guidance for the South East. Figures relating to single person households and family households are not available centrally.

Sir John Stanley: To ask the Secretary of State for the Environment, Transport and the Regions what proportion of the planned new housing in Kent he estimates will be built on brown field sites and what proportion on green field sites. [39994]

Mr. Raynsford: A proportionate figure for recycled land/green field development has not been identified within the Kent Structure Plan Third Review. The Government expect that 60 per cent. of new homes will be built on previously developed land over the next ten years. (DETR, February 1998, Planning for the Communities of the Future, Cm 3885, page 7).

INTERNATIONAL DEVELOPMENT

Tibet

Sir Alastair Goodlad: To ask the Secretary of State for International Development what assistance her Department is currently giving to Tibet. [39963]

Mr. Foulkes: We are currently contributing some £680,000 to five projects which are being implemented by non-governmental organisations. These projects—in the fields of education, income generation and environmental health—are helping to address the needs of rural and urban communities within Tibet and of Tibetan refugees in India.

Debt Cancellation

Sir Alastair Goodlad: To ask the Secretary of State for International Development what progress has been made in discussions on aid debt cancellation programmes with potentially eligible Commonwealth countries; and if she will make a statement. [39960]

Mr. Foulkes: Cancellation programmes have been agreed with Barbados, Dominica, Grenada, Mauritius, St. Lucia, Tonga, Turks and Caicos and Jamaica. We have also opened discussions with five other countries about their commitment to poverty eradication in the framework of the international development strategy; and the extent to which they are actively pursuing policies which promote responsive and accountable government, which encourage transparency and bear down on corruption, and are applying economic policies which encourage sustainable economic development.

European Chocolate Directive

Sir Alastair Goodlad: To ask the Secretary of State for International Development what has been the outcome of her discussions with the Minister of Agriculture on the likely development effects of the European Chocolate Directive; and if she will make a statement. [39961]

Mr. Foulkes: Consultations between the Department for International Development and the Ministry of Agriculture, Fisheries and Food—the lead department—continue. The Government are ensuring that development concerns are carefully weighed in the preparation of a UK line; this reflects the importance attached to policy coherence in the recently published UK Government White Paper on International Development.

The Government believe that there are significant uncertainties over the possible effects of the proposed Directive on developing countries. Long-run development strategies should be built on helping developing countries to respond to shifts in demand patterns for their products, rather than locking them into the status quo.

Lomé Convention

Sir Alastair Goodlad: To ask the Secretary of State for International Development what representations she has made to the EU Commission on its green paper on the successor agreement to the Lomé Convention. [40006]

Mr. Foulkes: The UK produced a formal response to the Commission's Green Paper in October 1997. Since then, my right hon. Friend the Secretary of State for International Development met Commissioner Pinheiro, the Commissioner responsible for the EC's external relations with the Africa, Caribbean and Pacific States, on a number of occasions to discuss the Commission's proposals and she will have the opportunity to talk to him again at the ACP-EC Ministerial Council in Barbados on 7–8 May 1998. She has also participated in discussions on the future of ACP-EU relations at the Development Council on 28 November 1997 and the General Affairs Council on 30 March 1998, and will be chairing the discussions on EU's Lomé negotiating mandate at the Development Council on 18 May 1998. I addressed the EU/ACP Parliamentary Assembly in Mauritius on 21 April, answered questions on Lomé from the delegates and discussed the proposals with Commissioner Pinheiro. In addition, officials maintain a close dialogue with the Commission through their participation in the working group responsible for negotiating the EU's negotiating mandate, which the UK chairs as Presidency, and their informal contacts.

Poverty

Sir Alastair Goodlad: To ask the Secretary of State for International Development what proposals she has made to the World Bank Group towards enhancing the focus and effectiveness with which it pursues the objectives of poverty reduction and sustainable development; and what have been the results. [39964]

Mr. Foulkes: The President of the World Bank, James Wolfensohn, and my right hon. Friend the Secretary of State for International Development have discussed the importance of the international development targets endorsed by all members of the United Nations on a number of occasions. We are very pleased that the Bank has adopted these targets as part of its Strategic Compact, and will be using them to provide milestones against which progress towards poverty elimination can be measured. We are also encouraging the Bank to improve the quality of the poverty assessments included in its Country Assistance Strategies, working with partner countries to develop effective poverty reduction strategies.

Sir Alastair Goodlad: To ask the Secretary of State for International Development what representations she has made to the multilateral development banks and the International Monetary Fund about their impact on poverty reduction, and the efficiency and effectiveness of their operations; and what has been the result. [39962]

Mr. Foulkes: At the Spring Meetings of the IMF and World Bank in Washington earlier this month, my right hon. Friends the Chancellor of the Exchequer and the Secretary of State for International Development made a joint statement to the Development Committee, in which they encouraged the multilateral development banks to improve co-ordination and collaboration in their actions to increase their effectiveness in reducing levels of poverty.

Additionally, they met the Managing Director of the IMF, Michel Camdessus and the President of the World Bank, James Wolfensohn, to discuss ways in which programmes under the IMF's Enhanced Structural Adjustment Facility (ESAF) can take more account of social issues and the effect of adjustment programmes on the poorest. To assist the IMF develop its skills base in these areas, DIFD has offered technical expertise in social development and is encouraging a closer working relationship with the World Bank, which is best placed to offer advice on poverty reduction.

African Development Bank

Sir Alastair Goodlad: To ask the Secretary of State for International Development what programmes of institutional reform she has proposed for the African Development Bank. [39965]

Mr. Foulkes: The British Government fully support the major restructuring and institutional reform programme initiated by the President of the African Development Bank and approved by the Board of Directors in 1995. Under this programme, improvements have been made in the areas of organisational structure, the quality of Bank operations, human resource management policies and financial management. In recognition of progress in these areas, shareholders of the Bank are now close to completing negotiations on a capital increase, which will strengthen the financial ratios of the Bank and increase the influence of non-regional members such as the United Kingdom.

HOME DEPARTMENT

Racial Attacks

Dr. Cable: To ask the Secretary of State for the Home Department how many racial attacks have been recorded per 1,000 inhabitants in each police division in London in each of the last five years. [39466]

Mr. Michael: The Commissioner has provided the following information on the number of racial incidents in the Metropolitan Police District. A racial incident is defined as any incident in which it appears to the reporting or investigating officer that the complaint involves an element of racial motivation, or any incident which includes an allegation of racial motivation made by any person.

Racial incidents in the Metropolitan Police District

Division	Residential population (1991 census)	1997/98	1997/98 per 1,000 pop	1996/97[1]	1996/97 per 1,000 pop	1995/96	1995/96 per 1,000 pop	1994/95	1994/95 per 1,000 pop	1993/94	1993/94 per 1,000 pop
Belgravia	42,178	36	0.85	—	—	12	0.28	3	0.07	2	0.05
Brompton	75,460	20	0.27	—	—	0	0.00	8	0.11	4	0.05
Charing Cross	4,780	15	3.14	—	—	0	0.00	7	1.46	0	0.00
Fulham	63,254	36	0.57	—	—	36	0.57	37	0.58	41	0.65
Hammersmith	85,684	68	0.79	—	—	12	0.14	27	0.32	31	0.36
Marylebone	47,286	32	0.68	—	—	35	0.74	14	0.30	3	0.06
Notting Hill	48,778	45	0.92	—	—	8	0.16	13	0.27	14	0.29
Paddington	79,525	39	0.49	—	—	1	0.01	39	0.49	26	0.33
West End Central	4,034	7	1.74	—	—	3	0.74	8	1.98	0	0.00
Total: 1 Area	450,979	298	0.66	108	0.24	107	0.24	156	0.35	121	0.27
Barnet & Hertsmere	278,740	40	0.14	—	—	23	0.08	41	0.15	29	0.10
Colindale	98,362	102	1.04	—	—	83	0.84	127	1.29	148	1.50
Ealing	148,878	46	0.31	—	—	45	0.30	43	0.29	52	0.35
Hampstead	79,036	24	0.30	—	—	24	0.30	37	0.47	54	0.68
Harrow	198,311	148	0.75	—	—	128	0.65	113	0.57	128	0.65
Holborn	21,102	45	2.13	—	—	55	2.61	81	3.84	37	1.75
Holloway	84,722	72	0.85	—	—	29	0.34	65	0.77	49	0.58
Hornsey	101,299	58	0.57	—	—	44	0.43	34	0.34	35	0.35
Islington	81,092	142	1.75	—	—	197	2.43	215	2.65	84	1.04

Racial incidents in the Metropolitan Police District

Division	Residential population (1991 census)	1997/98	1997/98 per 1,000 pop	1996/97	1996/97 per 1,000 pop	1995/96	1995/96 per 1,000 pop	1994/95	1994/95 per 1,000 pop	1993/94	1993/94 per 1,000 pop
Kentish Town	74,614	138	1.85	—	—	302	4.05	275	3.69	175	2.35
Kilburn	110,896	63	0.57	—	—	49	0.44	19	0.17	42	0.38
Southall	125,493	108	0.86	—	—	100	0.80	108	0.86	102	0.81
Tottenham	101,650	66	0.65	—	—	40	0.39	54	0.53	39	0.38
Wembley	127,995	34	0.27	—	—	65	0.51	52	0.41	26	0.20
Total: 2 Area	1,632,190	1,086	0.67	1,148	0.70	1,184	0.73	1,264	0.77	1,001	0.61
Barkingside	168,761	55	0.33	—	—	26	0.15	34	0.20	32	0.19
Chingford	113,318	50	0.44	—	—	47	0.41	0	0.00	37	0.33
Dagenham	139,287	121	0.87	—	—	43	0.31	141	1.01	90	0.65
Edmonton	142,224	157	1.10	—	—	64	0.45	47	0.33	38	0.27
Enfield	170,007	74	0.44	—	—	82	0.48	89	0.52	35	0.21
Forest Gate	105,428	164	1.56	—	—	155	1.47	152	1.44	129	1.22
Havering	228,283	73	0.32	—	—	38	0.17	58	0.25	20	0.09
Ilford	131,726	95	0.72	—	—	11	0.08	79	0.60	57	0.43
Leyton	94,629	49	0.52	—	—	0	0.00	72	0.76	64	0.68
Limehouse	74,928	234	3.12	—	—	392	5.23	368	4.91	422	5.63
Plaistow	110,267	310	2.81	—	—	270	2.45	257	2.33	160	1.45
Shoreditch & Hackney	77,594	167	2.15	—	—	42	0.54	58	0.75	28	0.36
Stoke Newington	96,214	97	1.01	—	—	109	1.13	81	0.84	53	0.55
Whitechapel	84,715	122	1.44	—	—	17	0.20	157	1.85	135	1.59
Total: 3 Area	1,737,381	1,768	1.02	1,531	0.88	1,296	0.75	1,593	0.92	1,171	0.67
Bexleyheath	202,657	287	1.42	—	—	292	1.44	109	0.54	286	1.41
Bromley & Orpington	292,510	95	0.32	—	—	10	0.03	99	0.34	59	0.20
Catford	123,791	227	1.83	—	—	192	1.55	107	0.86	54	0.44
Croydon	111,221	66	0.59	—	—	56	0.50	56	0.50	31	0.28
Epsom and Sutton	278,028	71	0.26	—	—	14	0.05	72	0.26	56	0.20
Greenwich	109,366	71	1.41	—	—	209	1.91	159	1.45	156	1.43
Lewisham	98,355	94	0.96	—	—	99	1.01	103	1.05	45	0.46
Peckham	102,210	75	0.73	—	—	78	0.76	45	0.44	87	0.85
Plumstead	110,655	124	1.12	—	—	122	1.10	393	3.55	13	0.12
South Norwood	199,722	98	0.49	—	—	95	0.48	88	0.44	57	0.29
Southwark	59,775	141	2.36	—	—	273	4.57	153	2.56	130	2.17
Walworth	60,601	55	0.91	—	—	67	1.11	71	1.17	75	1.24
Total: 4 Area	1,764,891	1,487	0.85	1,663	0.95	1,507	0.86	1,455	0.83	1,049	0.60
Battersea	106,534	77	0.72	—	—	20	0.19	10	0.09	20	0.19
Brixton	79,186	56	0.71	—	—	25	0.32	40	0.51	19	0.24
Chiswick	77,258	122	1.58	—	—	48	0.62	58	0.75	31	0.40
Heathrow	629	8	12.72	—	—	15	23.85	4	6.36	2	3.18
Hillingdon	229,514	160	0.70	—	—	114	0.50	184	0.80	91	0.40
Hounslow	129,778	247	1.90	—	—	271	2.09	193	1.49	174	1.34
Kingston	193,078	75	0.39	—	—	53	0.27	36	0.19	28	0.15
Merton	174,136	195	1.12	—	—	149	0.86	143	0.82	110	0.63
Spelthorne	90,905	22	0.24	—	—	11	0.12	11	0.12	8	0.09
Streatham	80,770	51	0.63	—	—	73	0.90	68	0.84	61	0.76
Twickenham	161,312	71	0.44	—	—	45	0.28	50	0.31	43	0.27
Vauxhall	74,972	46	0.61	—	—	29	0.39	47	0.63	28	0.37
Wandsworth	140,713	98	0.70	—	—	77	0.55	64	0.45	32	0.23
Total: 5 Area	1,538,785	1,228	0.80	1,171	0.76	930	0.60	908	0.59	647	0.42
Total	7,106,226	5,867	0.83	5,621	0.79	5,024	0.71	5,376	0.76	4,116	0.58

[1] 1996/97 figures are not available currently for divisions. This is due to the process of the introduction that year of the Met's computerised Crime Reporting Information System (CRIS).

Note:

This information is for the financial year provided by the Met's Performance Information Bureau.

DNA Testing

Mr. Syms: To ask the Secretary of State for the Home Department what quality control tests have been evaluated into DNA testing; and if he will publish the results. [39496]

Mr. Michael: The Home Office Forensic Science Service has carried out quality tests on its analysis of DNA since it was first used in 1987. These are: testing and peer review of new methods before they are introduced, including scientific publication; regular internal quality assurance trials; and personal competency testing. These are used for internal quality management purposes and are made available to external quality assessors for the purposes of accreditation to International Organisation for Standardisation (ISO) 9000 and United Kingdom Accreditation Service (UKAS) standards. Quality assurance trials for suppliers of information to the National DNA database are not published but are similarly made available to external assessors. The results are also presented to learned conferences in tabular form; control tests on an individual casework basis are also made available to the defence on request.

Immigration Detainees

Mr. Fitzpatrick: To ask the Secretary of State for the Home Department what social, medical and counselling services are provided for immigration detainees with mental illnesses when they are released back into the community from detention. [39363]

Mr. Mike O'Brien: Detainees who are sectioned under the Mental Health Act are referred for appropriate treatment. Other detainees, who may be receiving treatment when they are released or bailed, are given a summary or copy of their own medical records. They are also given a short supply of any medication they require and told to register with a General Practitioner as soon as they are released. It would then be for the General Practitioner to arrange whatever care he or she considered necessary.

Asylum Claims (IT)

Mr. Clappison: To ask the Secretary of State for the Home Department (1) what plans are in place for the use of information technology in processing asylum claims which were not in place on 1 May 1997; [39387]

(2) how much spending on the deployment of information technology in the processing of asylum claims has been planned for, which was not planned for on 1 May 1997; [39388]

(3) if, in respect of the 1996 contract between his Department and Siemens for computer supply at the Immigration and Nationality Department, at Lunar House, he will list the purposes for which the computer services were described as being acquired at the time the contract was concluded and, make a statement on the extent to which the computer services are currently used for the processing of asylum claims; if the computer services are to be used to a greater extent for the processing of future asylum claims; and what representations he has received from trade unions at Lunar House regarding the computer contract. [39386]

Mr. Mike O'Brien: When the award of the Casework Programme contract was announced by the previous Government, its purpose was stated to be to computerise the handling of immigration casework, and the present Government have decided to proceed with the project. The project extended to asylum casework in the same way as to other types of immigration casework. Under the previous Government, it was planned that staff cuts would help fund the cost of the Casework Programme. The present Government did not make the planned staff cuts in 1997–98 and those staff are currently deployed in reducing the large number of cases which the present Administration inherited.

In broad terms, there has been no change over the past twelve months in plans for expenditure on information technology in asylum casework. The Casework Programme system is not available but the intention is to use it extensively on future asylum casework.

The Casework Programme will allow greater flexibility in the use of resources, but the priority that can be given to asylum casework will depend on the outcome of the Comprehensive Spending Reviews.

Both my right hon. Friend and I have had meetings with the Home Office trade unions about the expected consequences of the Casework Programme.

Immigration Detention Centres

Mr. Clappison: To ask the Secretary of State for the Home Department what plans he has to establish additional immigration detention centres; and what estimate he has made of the number of places thereby created. [39390]

Mr. Mike O'Brien: Her Majesty's Chief Inspector of Prisons was recently critical of the limited space available to the Immigration Service in detention centres and suggested that the Immigration Service needs to expand its detention estate. This proposal is being examined as part of the Detention Review which will report in due course.

Mr. Clappison: To ask the Secretary of State for the Home Department what plans he has to change the criteria for holding asylum seekers and illegal entrants in detention. [39391]

Mr. Mike O'Brien: The recently completed detention review covered all aspects of detention policy, including detention criteria. Evaluation of the review is now in the final stages and the results are expected to be made available in due course.

Asylum Seekers

Mr. Clappison: To ask the Secretary of State for the Home Department, pursuant to the oral answer to the right hon. Member for North-West Cambridgeshire (Sir B. Mawhinney), on 30 March 1998, *Official Report*, column 882, on illegal immigrants, what is the legal basis of the rule that the position of asylum seekers is regularised after seven years; and if he will list the occasions on which the rule has been brought into operation since 1979. [39379]

Mr. Mike O'Brien: I refer the hon. Member to the reply I gave to my hon. Friend the Member for Battersea (Mr. Linton) on 19 March 1998, *Official Report*, column 682. The legal basis for this practice is the power of the Secretary of State under the Immigration Act 1971 to grant or vary leave to enter or remain. The practice has been an undisclosed feature of decision-making on immigration since the early 1990s, but information is not available centrally on the number of occasions on which it has been followed and could be obtained only at disproportionate cost. We have disclosed this practice as part of this Government's wish to be more open than previous Governments in disclosing the way in which immigration controls operate.

Mr. Allan: To ask the Secretary of State for the Home Department if he will provide a breakdown, by nationality, of the number of asylum-seekers who were detained under Immigration Act powers between January and December 1997 and who were subsequently *(a)* recognised as refugees and *(b)* granted exceptional leave to remain. [40029]

Mr. Mike O'Brien: The available information, relating to the number of persons who were detained solely under Immigration Act powers at some point during 1997 and who were subsequently recognised as a refugee or granted exceptional leave to enter or remain, is given in the table. It is important to note that many of those detained are held for very brief periods, sometimes only hours, pending arrangements for their examination under the Immigration Act 1971.

Persons detained solely under Immigration Act powers during 1997[1] who were subsequently granted asylum or exceptional leave to enter or remain in the United Kingdom[2]

Nationality	*Number granted asylum*	*Number granted exceptional leave to enter or remain*
Afghanistan	—	79
Albania	4	—
Algeria	15	6
China	*	—
Colombia	—	3
Ghana	*	*
Iran	9	*
Iraq	5	*
Liberia	—	7
Nigeria	9	*
Poland	*	—
Somalia	14	23
Sri Lanka	3	*
Sudan	*	*
Turkey	*	*
Yugoslavia	10	*
Zaire	3	—
Nationality doubtful	*	*
Other	9	*
Total	89	132

[1] Persons first entering, or last leaving, detention under sole Immigration Act powers during 1997. A number will have been detained for a very brief period. Data include those cases considered substantially and those initially considered under the Dublin Convention/Third Country procedures.
[2] Data provisional.
* Denotes 1 or 2.

Departmental Reviews

Mr. Clappison: To ask the Secretary of State for the Home Department, pursuant to his answer of 20 January 1998, *Official Report*, columns *507–10*, on departmental reviews, when he expects the consultative document in respect of the Review of Immigration and Asylum Appeals to be published. [39376]

Mr. Mike O'Brien: The internal review of immigration and asylum appeals is complete and a consultative document will be published as soon as possible.

Closed Circuit Television

Mrs. May: To ask the Secretary of State for the Home Department if he will list budgeted expenditure on closed circuit television cameras for 1998–99 by *(a)* local authority and *(b)* police region. [39880]

Mr. Michael *[holding answer 27 April 1998]:* It is not possible to provide the details requested. Closed circuit television (CCTV) is funded in a variety of different ways: some local authorities and local partnership groups have financed schemes directly for their area while others have involved an element of Central Government grant. As far as the Home Office budget is concerned, £9 million is available in 1998–99 to support the development of CCTV schemes. At least £1 million will be made available through round 4 of the CCTV Challenge Competition. The bids made under round 4 are currently being assessed and we hope to announce the results in May.

Schengen Executive Committee

Angela Smith: To ask the Secretary of State for the Home Department if he will make available the decisions and declarations adopted by the Schengen Executive Committee. [40304]

Ms Quin: We have placed in the Library copies of all of the decisions and declarations of the Schengen Executive Committee, and of its subordinate body the Schengen Central Group, which are part of the Schengen acquis and are in our possession, except for six documents, or parts thereof, which are classified as 'confidential' by the Schengen states. These cover the period up to and including June 1997.

Some of the documents are incomplete and there are some others which we have not yet received; these (together with the confidential documents) are indicated in the list which accompanies the documents deposited in the Library. As soon as we receive the missing documents, and also documents issued since June 1997, we shall deposit them in the Library.

A number of the documents are in French or German. We are endeavouring to obtain English translations of these which, when received, we will deposit in the Library.

Under-age Drinking

Mr. Jim Cunningham: To ask the Secretary of State for the Home Department what action he is taking to promote the use of proof of age identity cards as a means of reducing under-age drinking; and to what timescale. [39589]

Mr. George Howarth: The Government's statement of 17 July 1997 set out a programme of action which had been agreed with industry interests to tackle under-age alcohol misuse. This included commitments by retailer organisations to expand the Portman Group proof of age card scheme. We shall be reviewing the industry's progress this autumn.

SOCIAL SECURITY

Lone Parents

Mr. Rendel: To ask the Secretary of State for Social Security what has been the expenditure on benefits to lone parents for each year since 1979; and what is the forecast expenditure for each year up to 2000 *(a)* in terms of annual real growth, *(b)* in cash terms and *(c)* as a proportion of social security expenditure. [38996]

Mr. Keith Bradley *[holding answer 20 April 1998]:* The information is not available in the format requested. Such information as is available is set out in the table.

Lone parents expenditure in cash and real terms (1997–98 prices) expressed as a percentage of grand total social security expenditure

Year	Cash prices (£ million)	Real terms (1997–98 prices) (£ million)	Lone parents expenditure expressed as a percentage of grand total social security expenditure
1978–79	596	1,886	4
1979–80	730	1,979	4
1980–81	856	1,962	4
1981–82	1,079	2,254	4
1982–83	1,394	2,719	4
1983–84	1,806	3,366	5
1984–85	2,034	3,610	5
1985–86	2,362	3,974	5
1986–87	2,638	4,309	6
1987–88	2,977	4,617	6
1988–89	3,528	5,128	7
1989–90	3,903	5,303	7
1990–91	4,680	5,887	8
1991–92	5,758	6,808	8
1992–93	7,108	8,066	9
1993–94	8,126	8,962	9
1994–95	8,853	9,618	10
1995–96	9,579	10,126	10
1996–97	10,133	10,406	11
1997–98	10,298	10,298	11
1998–99	10,785	10,481	11

Notes:

1. Detailed Government expenditure plans for future years (1999–2000 to 2000–01) will be published after the completion of the Comprehensive Spending Review.

2. Grand total social security expenditure includes the cost of administration as well as additional local authority expenditure on Housing, Community Charge and Council Tax Benefits.

Source:

1. The figures are taken from the March 1998 Social Security Departmental Report and earlier equivalents.

Government Agencies and Local Authorities

Mr. Goggins: To ask the Secretary of State for Social Security what plans she has to extend joint working between Government agencies and local authorities. [38478]

Ms Harman *[holding answer 27 April 1998]:* We want to develop a Social Security system that promotes the wider aims of welfare reform: work for those who can; security for those who cannot. We are engaged on a range of initiatives to fulfil these aims and Local Authorities have an important role to play in this process. In particular:

- pilot schemes to test the best ways of getting Income Support to those pensioners who are currently entitled but do not claim their entitlement, using the records we hold on the Department's systems like the Retirement Pension computer and Local Authority systems for Housing Benefit and Council Tax Benefit.
- the delivery of the Government's National Childcare Strategy. We are about to consult widely about our plans for a National Childcare Strategy and the proposals will set out in detail the important role envisaged for Local Authorities.
- working in partnership with the Benefit Fraud Inspectorate to actively promote good practice throughout the Social Security system; helping them improve their effectiveness and efficiency, while, at the same time, rooting out fraud.
- developing new ways of working to improve service delivery to clients, and to reduce duplication of effort and unnecessary administration—an Active Modern Service which helps people into work by cutting across boundaries between Agencies and Departments, between the public and voluntary sectors, and between central and local government.
- helping young people, lone parents, the long-term unemployed, and people with a disability or long-term illness through the New Deal—rebuilding welfare around the work ethic.

Crisis Loans

Mr. Gibb: To ask the Secretary of State for Social Security how many people have gone to interviews for crisis loans but have been unable to make applications due to a shortage of application forms in the last three months. [39774]

Mr. Denham: The administration of the Social Fund is a matter for Peter Mathison, the Chief Executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Nick Gibb dated 27 April 1998:

The Secretary of State for Social Security has asked me to reply to your recent parliamentary question asking how many people have gone to interviews for crisis loans but have been unable to make applications due to a shortage of application forms in the last three months.

We are not aware of any customers being unable to apply for a crisis loan due to a shortage of application forms in the last three months. However, we are aware that some offices have had difficulty in obtaining supplies of Social Fund Budgeting Loan and Community Care Grant application forms. Contingency plans have been put in place and it is anticipated that this position will be rectified shortly.

I hope that this reply is helpful.

Winter Fuel Payments

Mr. Gibb: To ask the Secretary of State for Social Security (1) when the winter fuel payments were completed; [39776]

(2) how many cases of error there have been to date in the payment of winter fuel payments, in which *(a)* the cheques have been dated incorrectly and *(b)* the cheques have been sent to people who were not eligible for them; and what are the administration costs are for correcting these mistakes. [39777]

Mr. Oaten: To ask the Secretary of State for Social Security how many cases of incorrect payment of the winter fuel payment have been identified as a result of out of date or incorrect addresses on official records. [39898]

Mr. Denham: Winter Fuel payments are one of a number of initiatives the Government have taken to help vulnerable people, especially the elderly, keep warm in the winter. A total of £400 million has been committed for two years (97/98 and 98/99), to help pensioners with fuel bills to pay. This is the first time any Government have provided additional help with heating costs to all pensioners living in the United Kingdom who receive a retirement pension or one of a number of other qualifying benefits.

The making of this year's payments has been an enormous and unprecedented exercise. In order to establish all eligible pensioners, correctly identify pensioner households, and determine the amount each should receive, it was necessary to correlate data in around 15 million

computer records, involving 15 qualifying benefits, across nine computer systems. Overall, almost ten million pensioners, in over seven million households, have received a payment.

The administration of winter fuel payments is a matter for Peter Mathison, the Chief Executive of the Benefits Agency. He will write to the hon. Members.

Letter from Peter Mathison to Mr. Nick Gibb, dated 27 April 1998:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Questions asking when the Winter Fuel Payments were completed and how many cases of error there have been to date in the payment of Winter Fuel Payments, in which (a) the cheques have been dated incorrectly and (b) the cheques have been sent to people who were not eligible for them; and what are the administration costs for correcting these mistakes.

The making of Winter Fuel Payments to almost ten million eligible pensioners, in over seven million households, before the end of March 1998 has been a challenging task for the Benefits Agency. This was achieved whilst maintaining normal benefit business.

Around one and half million of the poorest pensioners, those receiving Income Support or income-based Jobseeker's Allowance, received their payment of £50 during January. Almost eight and half million other eligible pensioners, for example those in receipt of state Retirement Pension, were issued with a payment of £20 or £10. The issue of these payments was completed by 24 March 1998.

To determine whether £20 or £10 was due it has been necessary to establish whether the pensioner lived alone. Where we identified they were the only eligible pensioner in a household they received £20; where they lived with other eligible pensioners each received £10.

Legislation requires that to establish whether £10 or £20 is due reference must be made to information held within official Departmental records. All the £20 and £10 payments issued have been based on information which originated from pensioners and is held within these official records.

We are aware from subsequent enquiries from some pensioners that the official records available and used by my Agency did not always accurately reflect the correct, current address details. For example, two eligible pensioners living at the same address have differing address details held in official records and despite expecting to receive £10 each, have received £20 each.

However, even though we have subsequently updated the address details the payments themselves remain correct. They have been made using official records which were in place at the time eligibility was determined. The legislation is framed in such a way that providing the payments made are supported by records held then there has not been an incorrect payment.

We are therefore not aware of any £10 or £20 payments that have been made in error.

Due to a computer operator error, 40,801 Income Support payments were sent out with an incorrect issue date on them. All these girocheques were replaced automatically within 72 hours at no cost to the Benefits Agency.

Out of the 1.5 million £50 payments made to Income Support and income-based Jobseeker's Allowance pensioners in January we are aware that some payments were incorrectly made or duplicated. A total of 9,357 payments were made where information held within official records indicated payment was inappropriate. A further 211 duplicate payments were made to those pensioners who were in receipt of both Income Support and income-based Jobseeker's Allowance for at least one day during the qualifying week of 5 January 1998. Of the relevant payments this represents a 0.68% error rate.

Details of the administration costs for correcting the above mistakes are not available.

Thank you for the opportunity to explain the position. I hope that this is helpful.

Letter from Peter Mathison to Mr. Mark Oaten, dated 27 April 1998:

The Secretary of State for Social Security has asked me to reply to your recent parliamentary question asking how many cases of incorrect payment of the winter fuel payment have been identified as a result of out of date or incorrect addresses on official records.

The making of Winter Fuel Payments to almost ten million eligible pensioners, in over seven million households, before the end of March 1998 has been a challenging task for the Benefits Agency. This was achieved whilst maintaining normal benefit business.

Around one and half million of the poorest pensioners, those receiving Income Support or income-based Jobseeker's Allowance, received their payment of £50 during January. Almost eight and half million other eligible pensioners, for example those in receipt of a state Retirement Pension, were issued with a payment of £20 or £10. These payments were issued during March.

To determine whether £20 or £10 was due, an address matching exercise was undertaken using official records held by the Department. This process aimed to establish whether each eligible pensioner was the only person entitled to a payment in the household, or was one of a number of such persons. Where more than one eligible pensioner was identified as living at an address they each received £10; where no address match was made in respect of any eligible pensioner with the address details held for all other eligible pensioners, a payment of £20 was made.

The relevant legislation states that official records held by the Department shall be sufficient to determine entitlement to a payment and its amount. All the £20 and £10 payments issued have been based on information which originated from pensioners and is held within these official records.

We are aware from subsequent enquiries from some pensioners that the official records available and used by the Benefits Agency did not always accurately reflect the correct, current address details. For example, two eligible pensioners living at the same address have differing address details held in official records and despite expecting to receive £10 each, have received £20 each.

However, even though we have subsequently updated the address details the payments themselves remain correct. They have been made using official records which were in place at the time eligibility was determined. The legislation is framed in such a way that providing the payments made are supported by records held then there has not been an incorrect payment. We are still receiving enquiries from pensioners and do not yet know many address records were incorrect at the time payments were made.

As all payments have been made in accordance with the legislative requirements there have been no incorrect payments due to address inaccuracies.

Thank you for the opportunity to explain the position.

Benefits Agency

Mr. Winnick: To ask the Secretary of State for Social Security if letters written by hon. Members of the Chief Executive of the Benefits Agency are seen by him initially; and what procedures are followed before a reply is sent. [39729]

Mr. Keith Bradley: This is a matter for Peter Mathison, the Chief Executive of the Benefits Agency. He will write to my hon. Friend.

Letter from Peter Mathison to Mr. David Winnick, dated 27 April 1998:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking if letters written by honourable Members to the Chief Executive of the Benefits Agency (BA) are seen by him initially; and what procedures are followed before a reply is to be sent.

All the letters I receive from MPs command a personal response.

I do not see all letters from MPs initially. My office handle all my post in the first instance and scrutinise it thoroughly to ensure any deadlines are observed or urgent cases identified and suitably fast tracked in order to give a rapid response.

In the vast majority of cases, my office will, on my behalf, ask the BA Parliamentary Correspondence Section to gather sufficient specific information and detailed technical input, provide me with advice on the background to the correspondence and produce a draft reply for me to consider.

In order to obtain the required information, the Parliamentary Correspondence Section will invariably refer to the relevant business unit or specialist central unit within the Agency to provide the level of detail required for a complete answer.

Once a final reply has been prepared, this and the supporting advice and background information are passed to my support staff for checking to ensure all points raised are covered and the answers are factually and legally correct. The original correspondence, the checked draft and supporting documents are then examined by me and may be amended if required, before the reply is signed and dispatched to the MP.

I aim to ensure that all official correspondence is replied to within 20 working days.

However, if I am away from the office it is not always possible for me to personally sign the letters within this time scale. On these occasions a Benefits Agency Director will act for me and scrutinise the final draft, amend it as required, before signing it on my behalf.

I hope that this reply is helpful.

Child Support Agency

Mr. Kirkwood: To ask the Secretary of State for Social Security (1) what estimate she has made of the value of debts outstanding to the Child Support Agency; what resources are being devoted by the Agency to their recovery; and what is the average age of such debts; [39219]

(2) how many and what percentage of outstanding debts were recovered by the Child Support Agency over the most recent period for which figures are available; what methods were employed; and in what percentage of cases litigation was pursued; [39222]

(3) what estimate she has made of the expenditure incurred by the Child Support Agency in the recovery of debts for the most recent period for which figures are available; and what was the total amount recovered as a result. [39225]

Mr. Keith Bradley: All children are entitled to the financial and emotional support of both their parents wherever they live. It is not right that so many absent fathers should seek to avoid paying the maintenance which their children are due. An extra £15 million is being invested in the Child Support Agency this year and next, specifically aimed at increasing the amounts of maintenance which are paid.

The administration of the Child Support Agency is a matter for the Chief Executive, Mrs. Faith Boardman. She will write to the hon. Member.

Letter from Mrs. Faith Boardman to Mr. Archy Kirkwood, dated 27 April 1998:

I am replying to your Parliamentary Questions to the Secretary of State for Social Security about Child Support Agency debt.

I am not able to provide all of the information in the precise format that you have requested, but have provided as much as is available.

For accounting purposes, the Agency regards amounts outstanding under full maintenance assessments as the amount of maintenance debt to be pursued. The outstanding full maintenance assessment debt at 31 March 1998 was approximately £695,726,778.

The total number of cases with final maintenance assessment debt at 31 March 1998, was 294,745. Information is not available on the average age of debts or the number of cases where the Agency has rescheduled debts: re-scheduled debts are those where the Agency has negotiated an agreement with the absent parent to repay arrears by instalments. The amount of debt re-scheduled (included in the above) at 31 March 1998 was £328,214,264. This amount relates to 197,137 cases and equates to 47 per cent. of the debt and 66 per cent. of the cases.

During 1997/98, the number of staff years spent on maintenance collection was 1850 at a total cost of approximately £42 million. 613 of those staff years were spent working directly on debt management, enforcement and tracing (in connection with debt recovery).

Where arrears of maintenance exist, the Agency contacts the absent parent to arrange payment. The imposition of a deduction from earnings order is considered when the absent parent defaults on an agreement or refuses to come to an agreement. This step is taken as a last resort and every effort is made to secure the compliance of the absent parent before a deduction from earnings order is issued. During 1997/8 the Agency issued over 50,000 deduction from earnings orders.

If all other voluntary methods have failed, and if a deduction from earnings order is not a possibility, then a liability order is applied for. The Agency's intention in such cases is to secure maintenance—it is hoped that the threat of such action will be enough to ensure compliance.

Throughout the debt management and enforcement process, absent parents are given every opportunity to make a voluntary arrangement to pay off their child maintenance debt. The majority do agree to make an arrangement and only in a very small minority of cases is legal action actually taken.

During 1997/8, the number of cases that were referred to Agency enforcement teams for litigation action was 17,833. The number of liability orders applied for was 2,498 and the number granted was 1,353.

The Agency looks to use any and all enforcement methods legally available but experiences the same difficulties as other litigants in enforcing a civil debt. During 1997/8 we have been successful in registering debt by County Court Judgment in 522 cases. Where all other action has failed, the Agency has pursued cases for prosecution; between October 1997 and March 1998 a total of 15 suspended custodial sentences were imposed.

The Agency measures its performance in securing maintenance against the target set by the Secretary of State; the target during 1997/8 was for £500 million of child maintenance to be collected or arranged for direct payment from the absent parent to the parent with care. The total achieved was approximately £547 million—the portion that was collected by the Agency was £344 million.

I hope this is helpful.

EDUCATION AND EMPLOYMENT

Lone Parents

Mr. Hope: To ask the Secretary of State for Education and Employment what action he is taking to ensure that people in the New Deal for Lone Parents will have access to programmes which can help them get back to work. [40239]

Mr. Andrew Smith: The vast majority of adults in the New Deal for Lone Parents are already eligible for the programmes offered by the Employment Service to help people move from welfare dependency into work. In addition, they are eligible for work based training for adults which is managed by Training and Enterprise Councils. I am pleased to announce that we are also

extending such eligibility to those in the New Deal for Lone Parents claiming benefit for less than 6 months, or who have been out of the labour market for less than 2 years. This means that everyone in New Deal for Lone Parents will be eligible for work based training for adults, Jobclub, Programme Centres, Work Trial, Jobfinder's Grant, Travel to Interview Scheme and Jobplan Workshops.

Whilst this decision applies to England, colleagues in Scotland and Wales are considering similar action.

New Deal (Concessionary Fares)

Mr. Timms: To ask the Secretary of State for Education and Employment what discussions his Department has had with transport operators about transport concessions for unemployed people on the New Deal programme, *(a)* in London and *(b)* across the UK. [40030]

Mr. Andrew Smith: We have had successful discussions with transport operators throughout the country to negotiate transport concessions for young unemployed people taking part in the New Deal. From 24 May 1998 the Association of Train Operating Companies (ATOC) members will offer New Deal participants 50 per cent. reductions. The concessions will be available to New Deal participants who will be issued with a New Deal ID card. London Transport have also agreed to offer the reduction. New Deal participants will be entitled to a 50 per cent. discount on most standard tickets and Travelcards on London Underground and London Buses. In addition 55 agreements with bus and coach companies up and down the country, have been signed, resulting in discounts of between 50 per cent. and 80 per cent.

School Playgrounds (Birmingham)

Mr. Corbett: To ask the Secretary of State for Education and Employment if he will list the 28 schools in Birmingham whose unsafe playgrounds are to be resurfaced with funds from the New Deal for Schools capital programme. [40090]

Mr. Byers: The 28 schools are:

Hallmoor Special
Longwill Special
Castle Vale Nursery
Featherstone Nursery
Perry Beeches Nursery
Audley Infants
Audley Juniors
Calshot Primary
Firs Infant
Green Meadow Primary
Heathlands Primary
Jervoise Primary
King David Primary
Pagenel Infant
Pagenel Junior
Pegasus Primary
Perry Beeches Infant
Perry Beeches Junior
Sladefield Infant
St. Laurence Junior
Timberley Primary
Ward End Primary
West Heath Infant
Westminster Primary
Wheelers Lane Junior
Wilkes Green Junior
Yardley Wood Primary
Yenton Junior.

Teacher Training (Sussex)

Mr. Lepper: To ask the Secretary of State for Education and Employment what assessment he has made of the impact on opportunities for teachers' professional development and in-service training in the Brighton and Hove, East and West Sussex and neighbouring local education authorities areas of the provisional allocation of Teacher Training Agency Inset Funds announced in February. [39883]

Ms Estelle Morris: I understand that the Teacher Training Agency reached its decisions on the allocation of the relevant funding on the basis of competitive bids from providers to deliver in-service training for teachers judged according to their quality in meeting identified national priorities. The Agency has issued contracts for the academic year 1998–99. It will be considering how to take account of regional impact in allocating funding for the interim bidding rounds in 1999–2000 and 2000–01. Final allocations for these and later years will be determined by the Agency in due course, taking account of the representations which have been received.

Alcohol Misuse

Mr. Jim Cunningham: To ask the Secretary of State for Education and Employment what assessment he has made of the recommendations of the Task Force On Under-age Alcohol Misuse on *(a)* alcohol education at primary school level and *(b)* within teacher training courses. [39590]

Ms Estelle Morris: We have considered very carefully all of the education recommendations of the Task Force report. Alcohol education at primary school level is already included in the requirements for National Curriculum science at key stage 2 (7–11 year olds) as part of the programme of study covering aspects of drug education. The new curriculum for teacher training requires all teachers to address pupils' personal, moral and social development; and because of the National Curriculum requirements for drug education, all primary school teachers and secondary school science teachers will be trained in it. We continue to encourage local education authorities and individual schools to improve their coverage of alcohol issues.

WALES

Prescription Charges

Mr. Denzil Davies: To ask the Secretary of State for Wales (1) following the judgment of the European Court of Justice of 19 October 1995 on prescription charges for men and women at the age of 60 years or over, how many appeals against his Department's restriction of the effect of the judgment to the period commencing 20 July 1995 have been received; and how many were successful; [39348]

(2) how many eligible claims based on the purchase of pre-payment certificates his Department has received; and what has been the total cost to date of meeting the said claims. [39350]

Mr. Win Griffiths: The information on how many appeals have been received against the restriction of the effect of the judgment to the period commencing 20 July 1995 could be provided only at disproportionate cost. One refund was paid for the period before 20 July 1995.

Claims were handled on a UK basis by the Prescription Pricing Authority. The Authority paid £223,670 on 4,695 prescription prepayment certificate claims originating in Wales. The Authority paid a further £3,817 on 69 combined prescription charge refund and prescription prepayment certificate claims. We estimate that Health Authorities paid approximately £23,610 on prescription prepayment certificate claims, but information is not available centrally on the numbers of these claims.

GPs (Out-of-hours Services)

Mr. Wigley: To ask the Secretary of State for Wales what guidelines he has issued to general practitioners in Wales with regard to the level of emergency cover needed out of hours and at weekends and bank holidays; what surveys he has undertaken to ascertain the effectiveness of such cover; and if he will make a statement. [39643]

Mr. Win Griffiths: It is for individual Health Authorities to arrange for the delivery of general medical services in consultation with general practitioners within their area.

In 1995, a number of changes were introduced which directly affected the provision of out-of-hours emergency care by GPs. The changes included the restructuring of the payment system to GPs, changes to the GPs' terms of service and the provision of an Out of Hours Development Fund.

The intention of this Fund is to secure improvements in out-of-hours services, reduce pressure on individual GPs, and/or make more cost effective use of their time.

The Welsh Office has commissioned an evaluation of the out-of-hours arrangements in Wales. The report is expected shortly.

Local Government Modernisation

Mr. Gareth Thomas: To ask the Secretary of State for Wales when he will publish further papers in the series "Modernising Local Government in Wales"; and if he will make a statement. [40330]

Mr. Win Griffiths: I have today published three further papers in this series. The paper "Improving local services through best value" takes forward the Government's commitment to introduce a comprehensive regime to ensure continuous improvement in the performance of local services. Best value will also provide a much greater opportunity for local people to comment on how local services should be delivered in their areas. Best value will cover all local services and will, in due course, replace the existing compulsory competitive legislation which applies to only some local services.

The paper "Improving local accountability for council tax" sets out proposals for strengthening local accountability for levels of council tax and reducing central government's involvement in decisions on council tax levels.

The paper "Business rates" sets out the arguments for introducing some local discretion over the business rates in the context of a strong and effective relationship between local councils and business.

The papers are closely linked because the duty to secure best value in service delivery is a key measure in the effort to increase local accountability for financial issues. We look forward to receiving comments on all these proposals.

Responses to the consultation exercise will be drawn on to prepare a White Paper on Local Government in Wales, which will be published in the summer.

National Assembly

Mr. Edwards: To ask the Secretary of State for Wales if he will make a statement about a structure for salaries, allowances, gratuities and pensions for members of the National Assembly for Wales. [40331]

Mr. Ron Davies: In accordance with the undertaking made to Parliament and in the White Paper "A Voice for Wales", I have written to the Chairman of the Senior Salaries Review Body inviting him and his colleagues to consider and make recommendations on the salaries, allowances, gratuities and pensions which would be payable to members of the National Assembly for Wales. My letter sets out the full remit I am asking the SSRB to accept and I have arranged for copies to be placed in the Libraries of the House.

SCOTLAND

Hospital Waiting Lists

Mr. Wallace: To ask the Secretary of State for Scotland how many new patients seeking outpatient consultations in 1997 were required to wait more than nine weeks for an appointment; and what proportion of the total number of referrals these patients represent in respect of *(a)* Scotland and *(b)* each health board of residence. [38168]

Mr. Galbraith *[holding answer 8 April 1998]:* The number of new outpatients referrals and the number and percentage of these who waited more than nine weeks for an appointment, by Health Board of residence, in the year to 31 December 1997, is shown in the table.

NHS in Scotland—first consultant outpatient appointments of Scottish residents. Number and percentage who waited over nine weeks for an appointment during year ended 31 December 1997, by area of residence.[1]

Area of residence	*Total number of referrals*[2]	*Number who waited over 9 weeks until their appointment*	*Percentage who waited over 9 weeks until their appointment*
Argyll and Clyde	69,680	21,872	31.4
Ayshire and Arran	45,525	10,808	23.7
Borders	20,661	4,375	21.2
Dumfries and Galloway	10,791	2,562	23.7
Fife	67,753	25,740	38.0
Forth Valley	47,970	13,728	28.6

NHS in Scotland—first consultant outpatient appointments of Scottish residents. Number and percentage who waited over nine weeks for an appointment during year ended 31 December 1997, by area of residence.[1]

Area of residence	*Total number of referrals*[2]	*Number who waited over 9 weeks until their appointment*	*Percentage who waited over 9 weeks until their appointment*
Grampian	89,898	23,063	25.7
Greater Glasgow	215,133	77,015	35.8
Highland	41,129	9,932	24.2
Lanarkshire	109,153	38,891	35.6
Lothian	153,350	40,922	26.7
Orkney	2,205	188	8.5
Shetland	3,832	454	11.9
Tayside	88,668	23,593	26.6
Western Isles	3,807	816	21.4
Scotland	969,555	293,959	30.3

[1] Provisional.

[2] With effect from September 1997, monitoring of performance against the nine week target for new outpatient appointments is based on referrals from General Medical and General Dental Practitioners only.

Source:
ISD Scotland

Mr. Wallace: To ask the Secretary of State for Scotland how many new patients seeking outpatient consultations had been waiting for more than nine weeks for an appointment on *(a)* 30 September 1997, *(b)* 31 December 1997 and *(c)* 31 March 1998 in respect of (i) Scotland and (ii) each health board of residence. [38169]

Mr. Galbraith *[holding answer 8 April 1998]:* Unlike inpatient and day case activity, there is no centrally held list of patients waiting for outpatient appointments on a given date. Progress is monitored on the basis of activity in each quarter. The number of new outpatient referrals and the number and percentage of these who waited more than nine weeks for an appointment in the quarters ended 30 September 1997 and 31 December 1997, by Health Board of residence, is given in the table. Information for the quarter ended 31 March 1998 is not yet available.

NHS in Scotland—first consultant outpatient appointments of Scottish residents. Number and percentage who waited over nine weeks for an appointment by area of residence[1]

Area of residence	*Quarter ended 30 September 1997*			*Quarter ended 31 December 1997*		
	Total number of referrals[2]	*Number who waited over 9 weeks until their appointment*	*Percentage who waited over 9 weeks until their appointment*	*Total number of referrals*[2]	*Number who waited over 9 weeks until their appointment*	*Percentage who waited over 9 weeks until their appointment*
Argyll and Clyde	14,622	5,034	34.4	14,425	4,599	31.9
Ayrshire and Arran	18,915	5,010	26.5	19,462	4,670	24.0
Borders	5,259	1,126	21.4	5,011	1,112	22.2
Dumfries and Galloway	4,846	1,412	29.1	5,039	1,351	26.8
Fife	18,081	7,275	40.2	17,666	7,000	39.6
Forth Valley	12,074	3,908	32.4	12,617	4,191	33.2
Grampian	22,455	6,657	29.7	22,766	6,284	27.6
Greater Glasgow	54,425	20,802	38.2	57,732	21,942	38.0
Highland	10,669	2,719	25.5	10,357	2,693	26.0
Lanarkshire	27,538	10,033	36.4	29,993	11,528	38.4
Lothian	38,627	11,433	29.6	38,687	11,279	29.2
Orkney	591	91	15.4	680	40	5.9
Shetland	983	110	11.2	1,066	98	9.2
Tayside	22,848	6,495	28.4	21,511	5,902	27.4
Western Isles	1,089	251	23.1	263	53	20.2
Scotland	253,022	82,356	32.6	257,275	82,742	32.2

[1] Provisional.

[2] With effect from September 1997, monitoring of performance against the nine week target for new outpatient appointments is based on referrals from General Medical and General Dental Practitioners only.

Source:
ISB Scotland.

DUCHY OF LANCASTER

Departmental Personnel

Mr. Hancock: To ask the Chancellor of the Duchy of Lancaster how (1) many former Royal Navy officers of the rank of rear admiral or above are currently employed by Government departments; and what their roles are; [39937]

(2) how many former Army officers of the rank of brigadier or above are currently employed by Government departments; and what their roles are; [39938]

(3) how many former Royal Air Force officers of the rank of air commodore or above are currently employed by Government departments; and what their roles are. [39939]

Dr. David Clark: The information requested is not held centrally.

Buying Agency

Mr. Dobbin: To ask the Chancellor of the Duchy of Lancaster what targets he has set for the Buying Agency for 1998. [40302]

Mr. Kilfoyle: I have set the Agency the following targets for 1998.

Financial

to generate a return on capital employed of 8 per cent.;

to increase total sales by 2 per cent. on an accruals basis;

Productivity

to reduce the cost per £ of total savings by 2.5 per cent. on 1997 outturn;

to maintain the cost per £ of total sales at 1997 outturn;

Customer Satisfaction

to resolve 95 per cent. of customers' complaints received in the year within 1 month, except where explicitly agreed otherwise by the customer;

to deliver 95 per cent. of direct orders by the due date;

Internal Quality

to secure re-accreditation under ISO 9001;

Environmental

to reduce the Agency's electricity consumption per member of staff at its headquarters by 3 per cent.

MINISTER WITHOUT PORTFOLIO

Millennium Dome

Mr. Dalyell: To ask the Minister without Portfolio, and in respect of the Millennium Experience what studies he has evaluated into the archaeological significance of the site of the Millennium Experience. [37516]

Mr. Mandelson *[holding answer 20 April 1998]:* The Museum of London Archaeological Service (MOLAS) was commissioned by British Gas, the original owners of the site, to produce an assessment of the area of the site now occupied by the Dome. This report was issued in 1993 and concluded that this was not a site of prime archaeological significance. English Partnerships, the Government's urban regeneration agency and current owners of the site, have appointed MOLAS to carry out a watching brief during the works on site. This activity is on-going.

A photographic survey and recording exercise of the now demolished Phoenix Wharf on the Greenwich peninsula, including a foreshore survey, were carried out by MOLAS and the Thames Archaeological Survey. English Heritage have been consulted throughout and is content with the approach being taken.

Public Appointments

Mrs. Lait: To ask the Minister without Portfolio how many of the appointments to public bodies which he has made since 1 May 1997 have been from the public appointments unit list. [33240]

Mr. Mandelson: I have made five appointments to the New Millennium Experience Company, formerly known as Millennium Central Ltd., since 1 May 1997. None of the successful candidates were from the Public Appointments Unit List.

AGRICULTURE, FISHERIES AND FOOD

Lindane (Breast Cancer)

Mr. Stinchcombe: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the possible link between Lindane and incidents of breast cancer. [38053]

Mr. Rooker: The Department of Health's independent Committee on Carcinogenity of Chemicals in Food, Consumer Products and the Environment (COC) reviewed the available data on breast cancer in women and levels of lindane in serum and breast fat tissue in 1995. The Committee concluded that there was no clear evidence of an association between serum and fat levels of lindane and breast cancer at the present time, and recommended that the matter be kept under review. The Department of Health is currently conducting a search for any new scientific data on lindane and if fresh information is uncovered, this will be referred to the COC for further consideration.

Bees

Dr. Gibson: To ask the Minister of Agriculture, Fisheries and Food (1) what guidance he has given as to which drugs are most appropriate for treating varroa disease in bees; [39359]

(2) if he will list the preparations known by the Veterinary Medicines Directorate to be used to combat varroa in bees; and which of these preparations the Veterinary Medicines Directorate has concerns about. [39360]

Mr. Rooker: As my hon. Friend the Parliamentary Secretary indicated in his statement on beekeeping on 22 April 1998, *Official Report*, column 772, we are considering this matter.

BSE

Dr. Gibson: To ask the Minister of Agriculture, Fisheries and Food if he will estimate the amount of money spent by the Government on research *(a)* based on the hypothesis that the only factor in BSE causation is prion protein transmitted via contaminated foodstuffs and *(b)* examining other possible hypotheses for BSE causation and other contributory factors. [39362]

Mr. Rooker: Funding on Transmissible Spongiform Encephalopathy (TSE) related research across all Government Departments is expected to be about £69 million during the three year period 1997–98 to 1999–2000. The national research effort is co-ordinated via the Joint TSE R&D Funders Co-ordination Group on whose figures this reply is based.

As the causative agents responsible for TSE diseases are unknown, most of the research programme makes no assumptions on this point, but rather tries to establish what the causative agents and associated factors are, how they may be identified, how they are transmitted, what is the pathogenesis of the disease caused, how many cases of each TSE disease will occur and over what timescale. Whatever the causative agent is eventually shown to be, the most robust epidemiological evidence to date indicates that the most significant route of transmission to cattle was via contaminated feed.

The following figures have been derived from information on TSE research funding across all Government departments. The majority of projects are not based on a single premise of cause; those which relate to identifiable causes, other than the prion hypothesis, or the investigation of causal and transmission mechanisms are included in these figures.

In 1997–98 alone the total Government spend on TSE research was estimated at £18.82 million of which £3.25 million involved investigation of causal and transmission mechanisms. The projected spend for 1998–99 is £23.27 million of which £3.23 million is so far allocated to this type of research.

Fishing Industry

Mr. Andrew George: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the likely impact of EU enlargement on the British fishing fleet and the British fishing industry. [39702]

Mr. Morley: My assessment is that maintenance of the principle of relative stability will ensure that enlargement of the EU has minimal effect on the British fishing fleet and industry.

Fur Farming

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food if he will list the specific issues his Department assesses to require resolution before fur farming can be made illegal. [39778]

Mr. Morley *[holding answer 27 April 1998]:* Any prohibition on fur farming must be implemented in accordance with national and international law if it is to achieve its objective. We are currently considering these issues and an announcement will be made once we have decided how to proceed. There would be public consultation on any proposals for legislation to ban fur farming.

Cattle Movement Service

Mr. Jack: To ask the Minister of Agriculture, Fisheries and Food how much rent will be paid by the British Cattle Movement Service in each of the first 15 years of its locations in Workington. [39230]

Dr. John Cunningham: My Department has a ground lease for the BCMS site at Workington which costs £3,500 per annum, subject to any rent reviews in that period. This lease covers land upon which we have erected our own building.

Under a separate lease for a building which we have refurbished, the Ministry will pay no rent for the first three years. From 2001, we will pay a market rent for the building. The level of the rent will be the subject of negotiation at the time but it is currently estimated to be about £50,000 per annum.

Both leases are renewable in 2007 at which time the rents would also be reviewed.

Mr. Jack: To ask the Minister of Agriculture, Fisheries and Food if he will place in the Library the details of his Ministry's cost benefit study undertaken to determine the site of the British Cattle Movement Service. [39232]

Dr. John Cunningham: A copy of the investment appraisal has been placed in the Library of the House.

Mr. Jack: To ask the Minister of Agriculture, Fisheries and Food if he will list the criteria which he employed in determining the locations of the British Cattle Movement Service headquarters; and how each of the possible sites involved in the selection process was assessed against each of the site selection criteria. [39229]

Dr. John Cunningham: The criteria included factors such as cost, ease of recruitment and retention of staff, and whether sufficient space was available. As explained in my answer to the right hon. Member of 25 February 1998, *Official Report*, column *274*, some 80 sites were considered, of which 7 were visited and 3 shortlisted.

Mr. Jack: To ask the Minister of Agriculture, Fisheries and Food how much rent was assumed in his Ministry's cost benefit analysis on the location of the British Cattle Movement HQ for each of the first 15 years of the project for *(a)* Manchester, *(b)* Guildford and *(c)* Workington. [39231]

Dr. John Cunningham: The figures for annual accommodation costs used in the investment appraisal, including estimated rent or capital charge, and rounded to the nearest thousand points were *(a)* £306,000 for Manchester *(b)* £315,000 for Guildford and *(c)* £199,000 for Workington.

HEALTH

Private Finance Initiative

16. **Mr. Rammell:** To ask the Secretary of State for Health how many hospital schemes have been approved under the NHS PFI scheme since 1 May 1997. [38689]

Mr. Milburn: 25 major hospital schemes have been given approval to proceed under the Private Finance Initiative in the National Health Service since 1 May 1997, of which 5 have already signed final contracts and begun building.

Prescription Fraud

19. **Mr. Syms:** To ask the Secretary of State for Health what representations he has received regarding the use of bar coding to reduce prescription fraud. [38693]

Mr. Milburn: We have received 3 letters, two supporting the use of barcodes and one against. Barcodes would primarily be used to aid the electronic transmission of prescription data. A draft policy document and appraisal framework for electronic data interchange for prescriptions was issued for consultation by the National Health Service Executive on 21 October 1997. A final version will be issued in the near future.

NHS Staff (Consultation)

20. **Mr. Best:** To ask the Secretary of State for Health what proposals he has for annual surveys of staff views in the NHS. [38694]

Mr. Milburn: We have made clear that we wish to see measurable improvements in the treatment and involvement of National Health Service staff. Staff surveys are important in providing staff with the opportunity to have their say on how they are managed.

Social Services Inspectorate

21. **Mr. Chope:** To ask the Secretary of State for Health if he will list the further reports which the social services inspectorate will publish before 7 May 1998. [38695]

Mr. Boateng: Two local inspection reports will be published by the Social Services Inspectorate before 7 May. They are an Inspection on Services to Carers in South Gloucestershire and, secondly, a report on the work of the Regulation and Inspection Unit in Surrey.

Smoking

22. **Mr. Canavan:** To ask the Secretary of State for Health what measures he is taking to reduce the incidence of tobacco-related illnesses and deaths. [38696]

Ms Jowell: The Government's comprehensive strategy to reduce smoking and smoking related deaths will be set out in the Tobacco Control White Paper to be published later this year.

In 1998/99, the Government are funding a £1 million teenage anti-smoking promotion campaign called "Respect", and a Health Education Authority adult smoking education campaign costing £5.5 million. As part of the campaign, £700,000 is being given to Quit to operate the Quitline—a telephone helpline—which offers smoking cessation advice, counselling and support.

In addition, a wide range of health professionals, notably general practitioners, routinely offer cessation advice and support.

35. **Mrs. Humble:** To ask the Secretary of State for Health what support the Government are giving to the Quitline smoking cessation helpline. [38709]

Ms Jowell: In 1998–99, Quit will receive £700,000 under contract from the Health Education Authority to run the smoking cessation helpline. This funding is made available from the Government's smoking education budget of £5.5 million.

On 24 April Quitline celebrated the 1 millionth call to its helpline at an event I attended.

NHS Direct

23. **Mr. Gareth R. Thomas:** To ask the Secretary of State for Health what is his timetable for introducing NHS Direct nationally. [38697]

Mr. Milburn: The White Paper "The New NHS, Modern, Dependable" published on 9 December last year made clear our intention to have a full national NHS Direct Service in place by the end of the year 2000. Initial pilots covering over 1 million people were launched on 23 March.

Long-term Care

24. **Mr. Keith Simpson:** To ask the Secretary of State for Health if he will make a statement on the future of long-term care. [38698]

27. **Mr. Day:** To ask the Secretary of State for Health if he will make a statement on the future of long-term care. [38701]

Mr. Boateng: We have already established a Royal Commission on long-term care for the elderly and issued priorities and planning guidance on continuing health care needs for the National Health Service; a long-term care charter is being developed and a social services White Paper will be published later this year.

Resource Allocation

25. **Mr. Streeter:** To ask the Secretary of State for Health if he will make a statement on the allocation of resources for the winter period of 1997–98. [38699]

Mr. Milburn: Last October we provided an additional £269 million to the National Health Service in England for use in the 1997–98 financial year. As part of this programme, nearly 1,500 initiatives were funded to ease pressures on the health and social care system during the winter period.

32. **Sir Sydney Chapman:** To ask the Secretary of State for Health if he will make a statement about the allocation of resources to health authorities. [38706]

Mr. Milburn: We are committed to distributing hospital and community health service resources to health authorities fairly using a weighted capitation formula. This is based on the healthcare needs of the local population.

A new advisory committee on resource allocation has been established further to improve the arrangements for distributing resources for both primary and secondary care.

Waiting Lists

26. **Mrs. Brinton:** To ask the Secretary of State for Health if he will make a statement on the number of patients in the NHS in England who were having to wait more than 18 months for treatment as of 31 March 1997. [38700]

Mr. Milburn: Health authority based figures show that 143 patients were having to wait more than eighteen months for admission to hospital on 31 March 1997. Our commitment was to eliminate such unacceptably long waiting times. Provisional management information indicates that on 31 March 1998 there were no English residents waiting more than 18 months for admission to hospital.

"Changing Childbirth"

28. **Audrey Wise:** To ask the Secretary of State for Health if he will make a statement on the implementation of "Changing Childbirth"; and what plans he has for the future of the pilot schemes *(a)* at Hammersmith/Queen Charlotte's and *(b)* elsewhere. [38702]

Mr. Boateng: Woman-centred maternity care is an important principle of service planning in the National Health Service. "Changing Childbirth" has promoted multidisciplinary co-operation among professionals and encouraged the involvement of users in shaping maternity services. The shift of focus towards outcomes for users of services, as emphasised in our White Paper "The New NHS", will ensure that the ethos of "Changing Childbirth" is maintained.

The midwifery pilot scheme at Hammersmith, Queen Charlotte's and Chelsea Hospitals is being reviewed by Ealing, Hammersmith and Hounslow Health Authority and the Hammersmith Hospital National Health Service Trust as part of a wider review of maternity services. There were a large number of local maternity initiatives resulting from "Changing Childbirth". We do not have details of those which were not centrally funded. We will be publishing a report within the next few months which summarises the "Changing Childbirth" development projects funded by the Department.

Recruitment and Retention

29. **Mr. Jim Cunningham:** To ask the Secretary of State for Health what action he is taking to improve NHS staff recruitment and retention. [38703]

Mr. Milburn: We are employing a twin strategy by increasing training levels and investing in initiatives to improve the recruitment, retention and return to practice of trained staff and encourage flexible and family-friendly ways of working. We have included provision for an extra 990 new doctor training places and 1,700 new nurse training places. New student funding arrangements are being introduced which will mean a better deal for all health care professional students. From September 1998 the non-means tested bursary payable to students on nursing and midwifery diploma courses will increase by 2.75 per cent. We have also made available £14.4 million to support recruitment and retention initiatives such as return to practice programmes. A £1.2 million national nursing advertising campaign is currently underway. Early results show that the campaign has been running since the beginning of January and has so far attracted 12,500 responses, which is very encouraging. In addition a resource pack was made available in March to help local managers develop and expand their recruitment and retention programmes, using the momentum built up by the national nursing publicity campaign. Although the pack concentrates on nursing, the key messages cross all professions.

Community Hospitals

30. **Mr. Rendel:** To ask the Secretary of State for Health if he will make a statement on policy on community hospitals. [38704]

Mr. Milburn: As part of our plans for modernising the National Health Service we shall be working with health authorities and the professions to determine the best configurations of services, including the balance of acute and community services.

The future role of community hospitals will be part of this important debate.

National Blood Authority

31. **Maria Eagle:** To ask the Secretary of State for Health what plans he has to reform the management and administration of the National Blood Authority. [38705]

Mrs. Ellman: To ask the Secretary of State for Health if he will make a statement on the Cash report and the future of the blood service in Merseyside. [38414]

Mr. Milburn: I refer my hon. Friends to the statement made by my right hon. Friend the Secretary of State on 8 April 1998, *Official Report*, column 353.

Millennium Compliance

33. **Mr. David Atkinson:** To ask the Secretary of State for Health if he will make a statement on progress towards millennium readiness of computer systems and embedded chips within the NHS. [38707]

Mr. Milburn: Over 99 per cent. of all National Health Service organisations have now submitted reports to their regional offices in response to the 31 March deadline detailed in executive letter EL(97)59. This executive letter, issued last October to all chief executives, required that the submission include detailed project plans, inventories and cost estimates. It is anticipated that, by the end of April, submissions will have been received from the very few remaining NHS organisations.

New Deal

34. **Mr. Sawford:** To ask the Secretary of State for Health what proposals he has to extend the new deal to the NHS. [38708]

Mr. Milburn: I refer my hon. Friend to the reply given today to my hon. Friend the Member for Chatham and Aylesford (Mr. Shaw).

Teaching Hospitals (West Midlands)

36. **Mr. Purchase:** To ask the Secretary of State for Health if he will make it his policy to increase the number of teaching hospitals in the west midlands. [38710]

Mr. Milburn: Since 1993, changes in the delivery of the undergraduate medical curriculum have spread teaching to a wider variety of settings than the traditional teaching hospitals.

Clinical training for medical undergraduates is currently carried out in twenty eight trusts and eighty two general practices in the west midlands. The selection of suitable venues for training is for local decision. There is no evidence that there are insufficient placements to meet the demand for clinical training in the west midlands region at the present time.

Rural Pharmacies

Mr. Todd: To ask the Secretary of State for Health what steps he has taken to secure the provision of rural pharmacies. [38690]

Mr. Milburn: All health authorities are required by law to arrange access to adequate pharmaceutical services, and all health authorities do so. To help them, we have the Essential Small Pharmacies Scheme which guarantees a minimum level of National Health Service income for pharmacies more than one kilometre from the next pharmacy.

Ovarian Cancer

Ms Stuart: To ask the Secretary of State for Health what guidelines are issued to health authorities for the use of Taxol in the treatment of ovarian cancer. [38691]

Mr. Boateng: The Department of Health looks to the medical profession to formulate guidelines for treatment. Clinical trials are still underway on the place of "Taxol" in the treatment of ovarian cancer. I understand that the latest results are due to be presented at the meeting of the American Society of Clinical Oncology next month and we look forward to discussion with the profession after that. It would be premature to issue guidelines for its use until sufficient evidence is available.

Controlled Drugs

Mr. Clappison: To ask the Secretary of State for Health what expenditure his Department has *(a)* incurred and *(b)* planned for addressing the health problems created by the use of controlled drugs which was not planned for on 1 May 1997. [39392]

Mr. Milburn: Expenditure in 1997/98 was within the framework of existing plans. For 1998/99, the Department has, within existing resources increased the special drug misuse allocation to health authorities for the development of services for drug misusers from £37.2 million to £41.3 million; agreed to grants of £1.3 million for a number of voluntary organisations carrying out drug treatment and prevention work under Section 64 of the Health Services and Public Health Act 1968; placed a £2 million contract with the Health Education Authority; and planned to invest a further £3 million on drug prevention activity during the course of the year.

My right hon. Friend the President of the Council announced publication of the new drugs strategy on 27 April 1998, *Official Report*, columns *26–41*. All future anti-drugs activity and expenditure by the Government will then be developed in accordance with this strategy.

Prescription Charges

Mr. Denzil Davies: To ask the Secretary of State for Health (1) following the judgment of the European Court of Justice of 19 October 1995 on the equalisation of prescription charges for men and women at the age of 60 years or over, how many appeals against his Department's restriction of the effect of the judgment to the period commencing 20 July 1995 have been received; and how many were successful; [39347]

(2) following the judgment of the European Court of Justice of 19 October 1995, on prescription charges for men and women aged 60 years and over, how many eligible claims based on the purchase of pre-payment certificates his Department has received; and what has been the total cost to date of meeting the said claims. [39349]

Mr. Milburn: The information on how many appeals have been received against the restriction of the effect of the judgment to the period commencing 20 July 1995 could be provided only at disproportionate cost. Two refunds were paid for the period before 20 July 1995.

The Prescription Pricing Authority authorised £2,529,016 on 54,722 prescription prepayment certificate claims. The Prescription Pricing Authority authorised a further £50,948 on 901 combined prescription charge refund and prescription prepayment certificate claims. We estimate that health authorities authorised some £437,000 on prescription prepayment certificate claims, but information is not available centrally on the numbers of these claims.

Kingston and West Middlesex Hospitals

Dr. Cable: To ask the Secretary of State for Health what changes have taken place in staffing levels since 1 May 1997 in respect of *(a)* administrative personnel and *(b)* nursing staff in (i) Kingston Hospital and (ii) West Middlesex Hospital. [39476]

Mr. Milburn: Figures on staffing levels in National Health Service trusts from the Department's September 1997 non-medical workforce census are not yet available.

The hon. Member may wish to contact Sir William Rous, Chairman of Kingston Hospital NHS Trust and Jane Kelly, Chairman of West Middlesex Hospital NHS Trust for details.

Hip Replacements

Mrs. May: To ask the Secretary of State for Health if he will list the waiting lists for hip replacement operations by hospital trust on *(a)* 31 March 1997 and *(b)* 31 March 1998. [39618]

Mr. Milburn: Waiting list information collected centrally is specialty based and does not show numbers of patients waiting for particular procedures.

Mr. Bob Russell: To ask the Secretary of State for Health (1) what is the Government's target for the maximum period for which a patient should have to wait for a hip replacement operation; [39955]

(2) how many patients in the Colchester constituency are awaiting hip replacement operations; what is the average length of time a patient has to wait; and what measures are to be taken to reduce the waiting time. [39954]

Mr. Milburn: The information requested about patients awaiting hip replacement operations in the Colchester constituency area is not available centrally. Last November my right hon. Friend the Secretary of State promised that by 31 March 1998 no patient would wait more than eighteen months for admission to hospital. Provisional management information indicates we achieved this in England. We are also committed to reducing waiting lists to 100,000 below the level we inherited by the end of the present Parliament. As the numbers of patients awaiting admission to hospital start to reduce, average waiting times should also begin to fall.

Breast Cancer

Mr. Stinchcombe: To ask the Secretary of State for Health how many breast screening units *(a)* failed to reach the national minimum standard for breast cancer detection in 1997, *(b)* reached the national minimum standard for breast cancer detection in 1997 but failed to reach the national expected standard and *(c)* reached the national expected standard for breast cancer detection in 1997; and if he will indicate for *(a)* to (c) how many of the units used (i) single and (ii) two view mammography at incident breast screening rounds. [39564]

Mr. Boateng: Annual data on the breast screening programme are for the period 1 April to 31 March. Data for 1997–98 will not be available until early 1999, when all women screened between 1 April 1997 and 31 March 1998 will have undergone appropriate follow-up and cancer detection rates identified.

For figures for 1996–97 I refer my hon. Friend to the reply I gave on 7 April 1998, *Official Report*, columns *193–94*.

Mr. Stinchcombe: To ask the Secretary of State for Health what assumptions are made about take-up rates in the over 65 years age group for breast cancer screening when the Government allocate funding to health authorities. [39562]

Mr. Boateng: The National Health Service breast screening programme invites women aged 50–64 for screening by mammography every three years, with screening for older women available three-yearly on request.

Health authorities are given general allocations to commission all hospital and community health services for their resident population.

It is for individual health authorities to decide the level and type of services commissioned, in partnership with local general practitioners and through consultation with other agencies and local people, taking account of local circumstances and national policies and priorities.

Diabetes

Mr. Alan Campbell: To ask the Secretary of State for Health what proposals he has to make pen needles for insulin dependent diabetics available on prescription. [39725]

Mr. Milburn: We are currently considering whether general practitioners should be allowed to prescribe insulin injection pen needles on the National Health Service. As I announced on 20 November 1997, *Official Report,* column *529,* I have asked officials in the Department to examine, in discussions with interested parties if necessary, whether we can be more certain on the costs. They have held a number of meetings with the major suppliers.

Mentally Disordered Patients (Deaths)

Mr. Hurst: To ask the Secretary of State for Health what is the average length of time between the start of an inquiry and the publication of the report for inquiries established under HSG (94)27 of 10 May 1994 into deaths involving mentally-disordered patients. [39744]

Mr. Boateng: This information is not held centrally. The length of time taken by independent inquiries set up under HSG(94)27 can vary considerably, depending, for example on the complexity of a particular case, the range of services involved and the difficulty in obtaining evidence.

Non-UK Citizens

Dr. Ladyman: To ask the Secretary of State for Health what *(a)* regulations and *(b)* guidelines govern the treatment of non-UK citizens by the National Health Service; and what checks are made to ensure that only those entitled to treatment receive it. [39734]

Mr. Milburn: Regulations on the subject of charges for accommodation, services and other facilities provided as part of the health service in respect of people not ordinarily resident in the United Kingdom (overseas visitors) were first made in 1982. The current Regulations are The National Health Service (Charges to Overseas Visitors) Regulations 1989 (Statutory Instrument 1989/306) as amended by The NHS (Charges to Overseas Visitors) Amendment Regulations 1991 (SI 1991/438) and The NHS (Charges to Overseas Visitors) (Amendment) Regulations 1994 (SI 1994/1535). These Regulations apply to England and Wales.

A manual of guidance was issued to all hospitals in 1988 with additional information provided in 1990, 1991 and 1994. The manual includes details of a two stage process for identifying patients who may be subject to the Overseas Visitors Regulations. Stage one should be applied to all patients attending hospital for the first time or commencing a new episode of treatment (unless the treatment is one which is specifically excluded from charges). The majority of patients will be found to be not liable for charges at stage one. Stage two interviews should be carried out by an officer of supervisory or equivalent grade and are designed to establish the patient's status with regard to the Overseas Visitors Regulations. Copies of the manual of guidance are available in the Library.

CD-ROMs

Mr. Gordon Prentice: To ask the Secretary of State for Health if he will provide a discount to public libraries on the Health CD-ROM disk 5 due to be published in June; and if he will make a statement. [39908]

Mr. Milburn: With effect from its next issue (No. 5 provisionally due June 1998) Health-CD will be covered by the public library subsidy scheme administered by Her Majesty's Stationery Office (HMSO). This scheme enables local authority funded public libraries to benefit from a 50 per cent. discount, applied at the point of sale.

Social Care

Mr. Jenkin: To ask the Secretary of State for Health how many social care waiters there are in acute hospitals in Essex; and what the figure is for each of the home counties and each London borough. [40094]

Mr. Milburn: The information requested is not available in the format requested.

Mr. Jenkin: To ask the Secretary of State for Health what percentage of special transitional grant relating to care in the community has been spent in each year since 1993–94 on elderly people *(a)* in Essex and *(b)* in the rest of England; and if he will make a statement. [40093]

Mr. Boateng: The special transitional grant is allocated for community care. Monitoring processes do not collect information on the amount of the special transitional grant spent on particular client groups.

Public Health

Mr. Timms: To ask the Secretary of State for Health what objectives he has set for the Health Action Zone in East London and the City. [38683]

Mr. Milburn: We expect health action zones (HAZ) to deliver within their area measurable improvements in public health and in the quality of treatment and care. The East London and City HAZ plans particularly to address the health needs of young people, to improve access to services and to work with highly disadvantaged communities to improve their health. The HAZ partnership has committed itself to improve mental health and reduce deaths from coronary heart disease and stroke.

Psychiatric Services

Mr. Flight: To ask the Secretary of State for Health what aggregate changes he forecasts in the levels of health authority budgets for mental health and care expenditure in 1999. [38692]

Mr. Boateng: Resources are not allocated to fund particular services or costs. It is for health authorities and general practitioners to use resources to plan and arrange services for their residents, following an assessment of their needs, and to make decisions about the level of resources required for any particular service.

Written Answers to Questions

Wednesday 29 April 1998

TREASURY

Earnings

Mr. Gibb: To ask the Chancellor of the Exchequer if he will estimate how many employees earn between £81 and £450 a week. [39773]

Mrs. Liddell *[holding answer 27 April 1998]:* The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from John Kidgell to Mr. Nick Gibb, dated 29 April 1998:

In the absence of the Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on weekly earnings.

The latest estimates from the New Earnings Survey conducted in April 1997, are that 72.1 per cent of employees on adult rates of pay, and whose gross weekly earnings during the survey pay period in April 1997 were unaffected by absence, were paid between £81 and £450 per week. Comparable percentages for full time and part time employees are 76.5% and 57.2% respectively.

Historic Registration Records

Mr. Alan Campbell: To ask the Chancellor of the Exchequer (1) what estimate he has made of the cost of making historic registration records available by means of microfilmed copies; [39720]

(2) what proposals he has to make historic registration records available by means of microfilmed copies; [39721]

(3) what proposals he has to make historic registration records more than 75 years old open to public scrutiny. [39722]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Les D. Mayhew to Mr. Alan Campbell, dated 29 April 1998:

In the absence of the Director of the Office for National Statistics (ONS), I have been asked to reply to your recent Parliamentary questions on registration records.

The Registration Acts are quite specific as to the means of access to all the records of births, deaths and marriages. The Acts allow members of the public to search the indexes in order to identify the entries they are looking for and to obtain certifies copies (certificates) on payment of the appropriate statutory fees. The Registrar General has no powers to make available or disclose registration information in any other way. No assessment has been made of the cost of making records available by means of microfilmed copies.

International Debt

Ms Drown: To ask the Chancellor of the Exchequer if he will make a statement on the progress of the Commonwealth Debt Initiative laid out in his Mauritius speech in September 1997, indicating which countries have received, or are to receive, relief, the level of that relief and when it will be applied. [39669]

Mrs. Liddell: The Government have made considerable progress in securing international agreement to the Mauritius Mandate and will continue to press for its speedy and determined implementation.

To date, decisions have been made on the timing and level of relief to be granted under the Heavily Indebted Poor Countries (HIPC) initiative to six countries. Uganda has actually completed the process and bilateral creditors signed an agreement to give it 80% relief on its stock of debt on April 24 in Paris.

The table illustrates how much additional debt relief the countries that have had decision points under the HIPC initiative will receive after all other debt relief mechanisms have been applied (ie after a reduction in their stock of debt of 67% by Paris Club creditors), and when they are due to receive that relief (assuming that they stay on track with their current IMF programmes).

Country	*Completion point*	*Amount of HIPC debt relief (USD million)*
Bolivia	September 1998	448
Burkina Faso	April 2000	115
Cote d'Ivoire	March 2001	345
Guyana	December 1998	253
Mozambique	Summer 1999	1,487
Uganda	Completed April 1998	347

Ms Drown: To ask the Chancellor of the Exchequer how much is owed to the European Union by countries identified under the Highly Indebted Poor Countries initiative; and how much it has already agreed to write off. [39667]

Mrs. Liddell: The total exposure of the EU to the 20 countries that are presently thought likely to get debt relief under the HIPC initiative is about 5% of the total debt owed to all multilateral creditors by HIPCs. This amounts to approximately $1 billion.

The EU has agreed to put 40 million ECU of interest on European Development Fund assets towards financing the first part of the EU's component of HIPC debt relief to these countries.

Insurance Premium Tax

Dr. Lynne Jones: To ask the Chancellor of the Exchequer if he will assess the benefits of using a share of increased revenue of the insurance premium tax for a neighbourhood risk reduction fund for areas where a high proportion of residents have difficulty in affording home contents insurance. [38173]

Dawn Primarolo: No. I am sure, however, that the Home Office would be interested to hear about any ideas my hon. Friend has for better targeting public expenditure at areas where the risk of crime is high.

FOREIGN AND COMMONWEALTH AFFAIRS

Western Sahara

Ms Kingham: To ask the Secretary of State for Foreign and Commonwealth Affairs what meetings have taken place or are planned between ministers of Her Majesty's Government and *(a)* the Moroccan Government and *(b)* Polisario to discuss the implementation of the UN Peace Plan for Western Sahara. [39951]

Mr. Fatchett: I propose to visit Morocco on 19 and 20 May and while there to meet ministers of the new Government. My right hon. Friend the Foreign Secretary will meet Mr. Filali, Minister of Foreign Affairs of Morocco, at Palermo during the Euro-Med ad hoc Ministerial on 3 and 4 June.

Ministers have not yet met any representatives of Polisario. At present, no meetings are planned.

Public Appointments

Jackie Ballard: To ask the Secretary of State for Foreign and Commonwealth Affairs how many and what percentage of the (i) paid and (ii) unpaid appointments which he has made to non-departmental public bodies since 1 May 1997 were women. [39406]

Mr. Tony Lloyd: My right hon. Friend the Foreign Secretary has made or approved 2 paid and 11 unpaid appointments of women to non-departmental public bodies since 1 May 1997. These appointments account for 50% and 58% respectively of the total made in the same period. We are committed to increasing the representation of women in public life. In support of this, we are currently drawing up an action plan for increasing the number of women and ethnic minorities holding public appointments.

Argentina

Mr. Caplin: To ask the Secretary of State for Foreign and Commonwealth Affairs what new exceptions there have been to the embargo on Argentina. [40345]

Mr. Tony Lloyd: We have recently granted an exception to the embargo to allow the sale of a further 110 NBC suits and 110 pairs of boots for use by the Argentine contingent of the UN task force in Kuwait. This is an exception but not a change to the embargo.

PRIME MINISTER

Companies (Promotion)

Mr. Gibb: To ask the Prime Minister, pursuant to his answer of 6 April 1998, *Official Report*, column *73*, if he will list the occasions on which he has promoted and supported British companies abroad. [38553]

The Prime Minister *[holding answer 20 April 1998]:* As a Prime Minister concerned with ensuring we have a prosperous and competitive economy, I have taken and will continue to take formal and informal opportunities in meetings and visits both in the UK and overseas to promote British business interests.

White Papers

Mr. Mackinlay: To ask the Prime Minister (1) how many white papers published since May 1997 have been considered and approved by the full cabinet prior to their publication; [39255]

(2) if the submission of a draft white paper to the full cabinet for consideration and approval is a matter determined by the sponsoring Minister; and what factors are taken into consideration in determining if the drafts are so submitted. [39256]

The Prime Minister *[holding answer 20 April 1998]:* Paragraphs 90–93 of the Ministerial Code set out guidance for Ministers and Departments on the handling of White Papers. The guidance is exactly the same as that applied by the previous administration.

Collective consideration of draft White Papers is generally appropriate where major policy issues are raised or the proposals can be expected to be of critical importance to the public. The detailed policy contained in White Papers is normally considered and approved by members of the relevant Cabinet Committee.

Mr. Mackinlay: To ask the Prime Minister if the proposed White Paper on industrial relations and employment law will be considered and approved by the full cabinet prior to publication. [39257]

The Prime Minister *[holding answer 20 April 1998]:* The White Paper will be considered in accordance with the normal procedures for White Papers.

Economic and Monetary Union

Mr. Cash: To ask the Prime Minister if he will list those individuals and organisations he has consulted on the legal basis of his Government's claim that there is no constitutional bar to United Kingdom participation in economic and monetary union. [39756]

The Prime Minister: I refer the hon. Member to the answer given by my right hon. Friend the Chancellor of the Exchequer to my hon. Friend the Member for Great Grimsby (Mr. Mitchell) on 17 November 1997, *Official Report*, column *18*.

Engagements

Mr. Bercow: To ask the Prime Minister if he will list his official engagements for Wednesday 29 April. [39226]

Miss McIntosh: To ask the Prime Minister if he will list his official engagements for Wednesday 29 April. [40182]

Sir Peter Tapsell: To ask the Prime Minister if he will list his official engagements for Wednesday 29 April. [39787]

The Prime Minister: This morning, I had meetings with Ministerial colleagues and others. I also did a live video broadcast on the Internet. In addition to my duties in the House. I will have further meetings later today.

CULTURE, MEDIA AND SPORT

Public Appointments

Jackie Ballard: To ask the Secretary of State for Culture, Media and Sport how many and what percentage of the (i) paid and (ii) unpaid appointments which he has made to non-departmental public bodies since 1 May 1997 were women. [39408]

Mr. Chris Smith: Since 1 May, I have made a total of 80 appointments including reappointments. Of these, 24 (30 per cent.) were women.

Women were appointed to 8 (36 per cent.) of the 22 paid appointments and to 16 (28 per cent.) of the 58 unpaid appointments.

The Government are committed to increasing the representation of women in public life. In support of this, my Department is currently drawing up an action plan for increasing the number of women and people from ethnic minority backgrounds holding public office.

LORD CHANCELLOR'S DEPARTMENT

Public Appointments

Jackie Ballard: To ask the Parliamentary Secretary, Lord Chancellor's Department how many and what percentage of the (i) paid and (ii) unpaid appointments which his Department has made to non-departmental public bodies since 1 May 1997 were women. [39398]

Mr. Hoon: Of the non-judicial appointments made to our non-departmental public bodies since 1 May, 3 (or 33%) of the paid appointments have been women and 91 (or 36%) of the unpaid ones have been women.

The Government are committed to increasing the representation of women in public life. In support of this, my Department has drawn up an action plan for increasing the number of women and ethnic minorities holding public appointments.

Small Claims Court

Mr. Luff: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will review the small claims court procedure as it operates in respect of prisoners serving custodial sentences; and if he will make a statement. [40117]

Mr. Hoon: Prisoners have the same rights of access as other persons to civil procedures, including small claims.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Regional Settlement Grant

Mr. Burstow: To ask the Secretary of State for the Environment, Transport and the Regions how much of the regional settlement grant remained unclaimed by the London boroughs of *(a)* Hackney, *(b)* Islington, *(c)* Lambeth and *(d)* Southwark in each of the years 1990 to 1997. [38239]

Angela Eagle *[holding answer 8 April 1998]:* There are no grants of that name.

Footpaths

Sir Michael Spicer: To ask the Secretary of State for the Environment, Transport and the Regions what statistical analyses of the usage of footpaths designated under rights of way legislation he has *(a)* commissioned and *(b)* evaluated; and if he will publish the results of the latest available. [39891]

Angela Eagle: Highway authorities have statutory responsibilities for recording and maintaining public rights of way, including footpaths, in their areas. My Department does not hold records of footpath usage, nor have we commissioned or evaluated any statistical analysis of usage.

Housing Development

Mr. Harvey: To ask the Secretary of State for the Environment, Transport and the Regions (1) what assessment he has made of the amount of brownfield land available for development *(a)* in each region and *(b)* in each county; [40098]

(2) if he will take into account the amount of brownfield land available for development in each region and county when setting regional and county targets for housing provision. [40099]

Mr. Raynsford: The Government's policy statement "Planning for the Communities of the Future" proposes that regional planning conferences, not the Government, should set targets for their regions for the provision of new homes on previously-developed land.

To help assess what is feasible in each region, the Department is working with the Local Government Management Board, local authorities, English Partnerships and others to establish a National Land Use Database that will provide, as a priority, a consistent assessment of previously developed land available for housing. We already monitor land use change, including the degree to which new housing is being built on previously-developed land, and this should enable the regional planning conferences to assess what has been achieved. Both these sources will provide information both at regional and county level and will help ensure that the targets set by the regional planning conferences are both challenging and realistic.

Mr. Hesford: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on progress towards implementing the proposal in "Planning for the Communities of the Future" to establish a task force to examine the use of recycled land for housing. [40243]

Mr. Caborn: I am pleased to announce that the membership of the Urban Task Force, to be chaired by Lord Rogers of Riverside, has now been finalised. The Task Force is:

Lord Rogers: Chairman

Richard Burdett: (Director, City Policy, London School of Economics)

Tony Burton: (Assistant Director (Policy), CPRE)

Alan Cherry: (Chairman, Countryside Properties plc)

Martin Crookston: (Director, Llewellyn Davis)

Anthony Dunnett: (Chief Executive, English Partnerships)

Peter Hall: (Bartlett Professor of Planning, University College London)

Stuart Lipton: (Chief Executive, Stanhope Property Developers)

David Lunts: (Chief Executive, Urban Villages Forum)

Anthony Mayer: (Chief Executive, Housing Corporation)

Anne Power: (Head of Housing, London School of Economics)

Sir Crispin Tickell: (Government Panel on Sustainable Development)

Wendy Thompson: (Chief Executive, London Borough of Newham)

Lorna Walker: (Director, Ove Arup)

This membership ensures a wide range of knowledge and experience relevant to the work of the Urban Task Force. The Task Force will act as a forum for developing best practice and innovation on housing on previously developed land, especially in urban areas. It will also act as a sounding board for work on the assessment of available, previously developed land.

Public Appointments

Jackie Ballard: To ask the Secretary of State for the Environment, Transport and the Regions how many and what percentage of the (i) paid and (ii) unpaid appointments which he has made to non-departmental public bodies since 1 May 1997 were women. [39397]

Angela Eagle: The Secretary of State has made 180 paid and 153 unpaid appointments to non-departmental public bodies since 1 May 1997 of which 39 (22%) and 27 (18%) respectively are held by women.

The Government are committed to increasing the representation of women in public life. In support of this, my Department is currently drawing up an action plan for increasing the number of women and ethnic minorities holding public appointments.

Dioxins (Derbyshire)

Mr. Barnes: To ask the Secretary of State for the Environment, Transport and the Regions what tests of dioxin levels at the site of the former Avenue Cokeworks at Wingerworth in Derbyshire he has commissioned; and if he will make a statement. [40172]

Angela Eagle: No tests of dioxin levels have been commissioned at the site of the former Avenue Cokeworks at Wingerworth in Derbyshire as the activities at this site are not considered to be significant sources of dioxins. While all combustion activities are likely to generate some dioxins, the Environment Agency report that the levels detected in or on the ground within the site would be expected to be similar to those which have been detected in urban areas. The Environment Agency and its predecessors have undertaken extensive dioxin monitoring in the river sediments in and around Chesterfield since the early 1990s. There have been no significant dioxin levels in the sediments of the River Rother upstream of its confluence with the River Doe Lea indicating that there have been no significant inputs of dioxins from the Avenue site. In addition, the Ministry of Agriculture, Fisheries and Food (MAFF) has been monitoring dioxins in cow's milk from farms in the Derbyshire area since 1991; these results have been published.

West Midlands Regional Development Agency

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions when he expects the location for the headquarters of the Regional Development Agency in the West Midlands will be announced. [39784]

Mr. Caborn: The location of the offices of the West Midlands RDA will be a matter for the Agency itself to decide. I expect that the RDA Board will be appointed by the autumn.

Local Agenda 21 Groups

Mr. Drew: To ask the Secretary of State for the Environment, Transport and the Regions what progress his Department is making in identifying good practice among the Local Agenda 21 Groups. [39871]

Angela Eagle: In partnership with the Local Government Management Board, the Department funds the 'Local Agenda 21 Case Study Project' which aims to identify and disseminate examples of best practice by Local Agenda 21 Groups. The project is managed by a cross-sectoral Steering Group of organisations concerned with Local Agenda 21 implementation, including representatives of the LGMB, DETR, the Worldwide Fund for Nature, the Environment Council, the Community Development Foundation, Shell Better Britain Campaign, UNED-UK, Community Matters and Groundwork. During the first year, thirty five case studies were published and disseminated and a further sixteen are to be published shortly. The case studies can also be accessed via the Internet either through the DETR website (http://www.environment.detr.gov.uk) or through the Local Sustainability pages of the European Good Practice Information Service (http://cities21.com/europractice).

Wychavon Local Plan

Mr. Luff: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 29 January 1998, *Official Report*, column *327*, if he will provide a revised figure for the representations received by his Department from residents of Fernhill Heath, Worcestershire. [40163]

Mr. Caborn: In total, over 90 representations have been received in respect of Wychavon Local Plan but having examined our records carefully I can now confirm that the actual number received from residents of Fernhill Heath amounts to 30.

Coastal Erosion

Mr. Waterson: To ask the Secretary of State for the Environment, Transport and the Regions what research has been *(a)* carried out and *(b)* commissioned by his Department on the problems of coastal erosion, the causes, and costs of necessary repairs. [39985]

Mr. Morley: I have been asked to reply.

The Ministry of Agriculture, Fisheries and Food commissioned strategic research, amounting to some £1.7 million in 1997–98, relating to coastal defence problems. In particular, a three-year project looking into the processes associated with the erosion of soft cliffs has been completed recently and the final report will be published later this year. A five-year programme of major investigations into coastal morphology (including the development of understanding of coastal processes which contribute to coastal erosion, and the ability to model them) has also been completed recently.

In addition, a report on the Ministry-commissioned coast protection survey of England was published in 1994. The survey examined the extent, adequacy and state of repair of defences. Subsequent update reports have been commissioned, concentrating on those defences identified as being in the worst condition.

DEFENCE

Territorial Army

Mr. Key: To ask the Secretary of State for Defence what was the average cost in *(a)* the 1996–97 financial year and *(b)* the 1997–98 financial year of members of (i) the Territorial Army and (ii) the regulars. [39633]

Dr. Reid: The information requested is as follows.

The capitation rates show the average cost of Army personnel. They include all pay, allowances, earnings-related national insurance contributions and benefits, as well as allowances for support, accommodation, individual training and higher formation costs.

	Capitation rate regular army[1]		*Capitation rate territorial army*[2]	
Rank	*1996–97*	*1997–98*	*1996–97*	*1997–98*
Colonel	91,780	97,820	12,174	14,169
Lt Colonel	82,763	88,027	8,015	8,988
Major	62,495	66,819	6,578	6,784
Captain	49,119	52,588	4,521	4,769
Lieutenant	39,878	42,755	2,787	2,762
2nd Lieutenant	30,416	32,401	1,089	1,288
WO1	50,461	52,375	7,016	7,658
WO2	46,369	48,138	7,855	8,428
Staff Sergeant	41,951	43,701	7,214	7,437
Sergeant	39,777	41,489	6,303	6,587
Corporal	35,585	37,252	5,250	5,394
Lance Corporal	29,858	31,387	4,114	4,211
Private	24,069	25,747	1,372	1,228

[1] Based on 365-day liability for duty.

[2] Based on the following average training days achieved at each rank:

Colonel: 61
Lt Colonel: 45
Major: 42
Captain 36
Lieutenant: 26
2nd Lieutenant: 15
WO1: 58
WO2: 67
Staff Sergeant: 61
Sergeant: 57
Corporal: 50
Lance Corporal: 44
Private: 14

Chatham Naval Base

Mr. Shaw: To ask the Secretary of State for Defence (1) what pay codes and definitions were used relating to working in a radiation environment at Chatham Dockyard; [39578]

(2) if he will make a statement on codes 37 (obnoxious condition) and 38 (extremely obnoxious conditions) as applied for industrial employees at Her Majesty's Naval Base, Chatham; [39580]

(3) what the definitions were for the permanent allowance codes *(a)* 12, *(b)* 13, *(c)* 15 and *(d)* 16 as applied for industrial employees at Her Majesty's Naval Base, Chatham. [39579]

Mr. Spellar: The pay and allowance codes referred to are no longer in use. It is not possible, without making further inquiries, to establish to which industrial allowances they related or to provide definitions.

The circumstances in which Obnoxious Conditions and Exceptionally Obnoxious Conditions Allowances were payable at Chatham Dockyard are also being investigated. Both allowances are currently payable generally to Ministry of Defence industrial staff where conditions include work in an enclosed environment, where the ambient temperature is above 32°C or below 0°C and the work is undertaken in a confined space.

I will write to my hon. Friend on both aspects when these inquiries are complete.

Military Attachés

Mr. Hancock: To ask the Secretary of State for Defence which British embassies and high commissions have a military attaché; what are their ranks; what staff they have; and what is the cost of the military department in those embassies and High Commissions. [39940]

Dr. Reid: The following British Embassies and High Commissions have a resident military attaché: Abu Dhabi, Accra, Amman, Ankara, Athens, Bangkok, Beirut, Belgrade, Berne, Bogota, Bonn, Brasilia, Bratislava, Bridgetown, Brussels, Bucharest, Budapest, Buenos Aires, Cairo, Canberra, Caracas, Colombo, Copenhagen, Damascas, Dhaka, Doha, Dublin, Guatemala City, The Hague, Harare, Helsinki, Islamabad, Jakarta, Kampala, Kathmandu, Kiev, Kingston, Kuala Lumpur, Kuwait City, Lisbon, Madrid, Manila, Mexico City, Moscow, Muscat, Nairobi, New Delhi, Nicosia, Oslo, Ottawa, Paris, Peking, Prague, Pretoria, Rabat, Riga, Riyadh, Rome, Santiago, Seoul, Singapore, Sofia, Stockholm, Tel Aviv, Tokyo, Vienna, Warsaw, Washington, Wellington, Zagreb. A further 70 countries are covered by non-residential accreditations. The military attachés are provided by the three armed services and comprises of, 1 Major-General, 2 Commodore RN, 17 Captains RN, 8 Commanders RN, 2 Lt Commanders RN, 9 Brigadiers, 33 Colonels, 17 Lt Colonels, 2 Majors, 3 Air Commodores, 12 Group Captains, 9 Wing Commanders, and 2 Squadron Leaders. They are supported by 3 Commissioned Officers, 66 Senior Service Non-Commissioned Officers, 45 Civil Servants (Personal Secretaries/Administrative Officers) and 125 Locally Engaged civilians.

The cost to the Defence Budget is £20.8m. The direct cost to the FCO budget is estimated at around £10m.

The overall cost of the Military department in those Embassies and High Commissions is £30.8m.

Mustard Agent

Mr. Livingstone: To ask the Secretary of State for Defence for what reasons his Department stopped exposing service personnel at the defence nuclear biological and chemical centre at Winterbourne Gunner to mustard agent; and what health and safety guidelines applied to such exposure. [38615]

Dr. Reid: I regret that surviving records reveal very little about the exposure of personnel to Mustard Agent at the Defence Nuclear, Biological and Chemical Centre (DNBCC). It is known, however, that, between 1966 and 1980, students at the Centre were exposed to a small amount of the Agent, about the size of a pinhead, on their wrist as part of Confidence Training. The intention was to prove and give confidence to the chemical agent decontamination process which was taught by the Centre and which the students were expected to teach to members of their parent units on their return. The practice was stopped on advice from the Chemical Biological Defence Establishment at Porton Down because it was not compatible with emerging health and safety guidelines.

Procedures for the conduct of the test were laid down in a NBC Defence Training Pamphlet and were explicit in their instructions as to the safety precautions to be observed, but no specific health and safety guidelines were extant at the time covering these specific types of test. I regret that no further details are available.

Nuclear Test Veterans

Mr. Wills: To ask the Secretary of State for Defence if British veterans of nuclear tests received different lengths and degrees of exposure to radiation in the course of the tests; and what was the extent of such variations. [39427]

Mr. Spellar: Of the 21,358 test participants included in the study carried out by the National Radiological Protection Board (NRPB), only 1,716 (8 per cent.) had non-zero recorded radiation doses. To determine the length of time over which the doses were accumulated could be done only at disproportionate cost. The NRPB report, published in 1993, contains (on page 12) details of the collective dose and other relevant information. A copy of the report is in the Library of the House.

Reserves

Mr. Key: To ask the Secretary of State for Defence what are the establishment targets for *(a)* the High Readiness Reserve and *(b)* the Sponsored Reserve; and if he will make a statement. [39635]

Dr. Reid: Since the Reserve Forces Act 1996, which introduced the concepts of High Readiness and Sponsored Reserves, came into force on 1 April last year, the Services have been developing these concepts. Although some initial estimates have been produced, there is at present no formal establishment target for High Readiness Reservists. The use of Sponsored Reservists will depend on a detailed assessment of the costs and operational risk in each particular case, and the proposals that we receive from Industry for meeting our requirements. It would, therefore, not be appropriate for us to set overall establishment targets for Sponsored Reservists.

Mr. Key: To ask the Secretary of State for Defence if he will list by *(a)* unit, *(b)* strength and *(c)* purpose, deployments of Territorial Army units in 1997 in military aid to the civil community (MACC) tasks, stating in each case the costs, if any, to the civil authorities. [39626]

Dr. Reid: I have placed a list of incidences of military aid to the civil community undertaken by Territorial Army units during 1997, together with the costs charged to local authorities (note 1) or other clients (note 2) in the Library of the House.

Public Appointments

Jackie Ballard: To ask the Secretary of State for Defence how many and what percentage of the (i) paid and (ii) unpaid appointments which he has made to non-departmental public bodies since 1 May 1997 were women. [39410]

Mr. Spellar: Since 1 May 1997, to date, women have been appointed to 2 paid and 1 unpaid appointments to the Department's Non-Departmental Public Bodies, representing 2.5% and 3.8% respectively of the total appointments and reappointments made in that period. The Government are committed to increasing the representation of women in public life. In support of this, my Department has drawn up an action plan for increasing the number of women and ethnic minorities holding public appointments.

HOME DEPARTMENT

Forensic Science Service Agency

Mrs. Brinton: To ask the Secretary of State for the Home Department what targets he has set for the Forensic Science Service Agency for 1998–99. [40529]

Mr. Straw: I expect the Forensic Science Service (FSS) Agency to continue to improve its efficiency and effectiveness during 1998–99.

The financial targets for 1998–99 are to recover full economic costs; to achieve a unit cost efficiency improvement over the three years ending 1998–99 of 9 per cent.; to meet 90 per cent. of delivery dates agreed with customers; to maintain accreditation to the National Measurement and Accreditation Service and the International Organisation for Standardisation 9001 standards and to audit customer satisfaction through a biennial external survey.

The FSS is looking to increase output by 32 per cent. over the next two years to improve further its service to the criminal justice system. This will mean the creation of around 300 jobs.

The FSS will also continue its pioneering research programme. Over the last two years, around £6 million has been invested in new developments, mainly in DNA services.

Mr. Emmanuel Ekpo

Mr. Fitzpatrick: To ask the Secretary of State for the Home Department what procedures were followed to establish the availability of appropriate treatment in Nigeria for people with mental illness prior to a decision being made on Emmanuel Ekpo's immigration case; and what assessment he made of the treatment available for people with mental illness in Nigeria. [39364]

Mr. Mike O'Brien: It is normal practice, when the Immigration Service receives representations on medical grounds against the removal of a person who is here unlawfully, for inquiries to be made about the availability of suitable treatment in the destination country. These inquiries are normally made through the British diplomatic post there. These were the procedures followed in Mr. Ekpo's case.

It was established that the medication Mr. Ekpo has been taking is readily available in Nigeria. Psychiatric treatment is also available, albeit less widely than in the United Kingdom and at a cost.

Mr. Fitzpatrick: To ask the Secretary of State for the Home Department if he will make a statement on the conduct of prison officers and Group 4 officers who removed Emmanuel Ekpo from HMP Rochester's hospital on 31 March, indicating for what reasons *(a)* he was not given a health check prior to removal from the hospital, *(b)* he was not allowed to use the telephone to ring his solicitor, Member of Parliament or family members, *(c)* the usual exit was not used to remove Mr. Ekpo and *(d)* he was not allowed to collect his personal belongings prior to removal. [39366]

Mr. Mike O'Brien: Mr. Ekpo was located in the Health Care Centre at Rochester prior to removal and was seen daily by a medical officer. He was under constant observation by staff and a full running medical observation was recorded on him. Mr. Ekpo had access to a telephone throughout the morning period and immediately after the lunch time meal. He was refused a request to use the telephone at the time of departure of the escort as it would have delayed his removal. It was decided to remove him direct from the Health Care Centre and not from Reception to reduce the opportunity for Mr. Ekpo to attempt to harm himself. His personal belongings were placed into sealed bags and handed to the escorting staff, according to standard procedure.

Mr. Fitzpatrick: To ask the Secretary of State for the Home Department if he will make a statement on the conduct of Group 4 officers on the arrival of Emmanuel Ekpo at their headquarters in Harmondsworth, with particular reference to toilet facilities not being available to him. [39365]

Mr. Mike O'Brien: Mr. Ekpo resisted removal from Her Majesty's Prison Rochester and twice attempted self harm en route to Harmondsworth. On arrival at Harmondsworth, a decision was made to keep him in the cellular van with three members of staff in attendance at all times, while arrangements were made to find suitable accommodation for him. This decision was made both in the light of his disruptive behaviour at a time when visitors were visiting the centre, and also in his own interests as it was considered that the opportunity for further self-harm was minimised while he remained in the van. Group 4 informed the Immigration Service that at no stage while in the van did Mr. Ekpo request toilet facilities. If staff had been made aware of such a request all possible steps would have been taken to arrange this. Mr. Ekpo was escorted to a Harmondsworth building and was examined by a doctor who declared him fit to be detained. Mr. Ekpo was offered, but declined to accept, both food and medication. He was finally detained at Northside Police Station, Heathrow Airport.

Mr. Fitzpatrick: To ask the Secretary of State for the Home Department who authorised the removal of Emmanuel Ekpo from HMP Rochester's hospital on 31 March and his planned deportation the next day. [39367]

Mr. Mike O'Brien: In accordance with authority received from the Deportation Section of the Home Office, removal directions were set by the Immigration Service at Becket House for Mr. Ekpo to be removed from the United Kingdom at 11.35 am on 1 April from Terminal 4, Heathrow Airport. Arrangements were made for Mr. Ekpo to be accompanied by escorts from a security company. This information was then passed to the Harmondsworth Detention Management Unit, which made arrangements for Mr. Ekpo to be transferred out of Rochester on 31 March 1998 and for him to be accommodated overnight in a police station near to Heathrow Airport, pending his deportation on the morning of 1 April.

Drug-related Offences

Mr. Clappison: To ask the Secretary of State for the Home Department what is his estimate of the number of criminally-active drug users who were convicted of offences in England and Wales in the last year for which figures are available. [40137]

Mr. George Howarth: The information requested is not available. However, the Home Office has a research programme designed to shred further light on the links between drugs and crime. A study conducted by the University of Cambridge of drug use by samples of people arrested by the police in various English cities was published recently (Home Office Research Study 183—Drugs and crime: the results of research on drug testing and interviewing arrestees), a copy of which is available for consultation in the Library. Key points to emerge were that:

- Urine tests showed high levels of recent drug consumption among arrestees—61 per cent. had taken at least one illegal drug.
- Comparatively high proportions of arrestees across all sample areas tested positive for heroin/opiates (18 per cent.) and cocaine/crack (10 per cent.). These are costly drugs, often thought to be funded by acquisitive crime.
- Nearly half the arrestees who reported taking drugs within the last year said their drug use was connected with their offending. Among various factors, they emphasised the need for money to buy drugs.

Helen Jones: To ask the Secretary of State for the Home Department how many people were imprisoned for drug-related offences *(a)* nationally and *(b)* in the North-West in each of the last five years. [39370]

Ms Quin *[holding answer 23 April 1998]:* The available information is for England and Wales and is given in the table. Information on receptions of drugs offenders into prisons in England and Wales is published in successive volumes of "Prison statistics, England and Wales" (tables 3.9, 4.6 and 5.6 of the 1996 edition, column 3732), copies of which are in the Library.

Receptions under sentence[1] into Prison Service establishments in England and Wales for drugs offences, 1993–1997

Year	England and Wales	North West Region[2]
1993	3,139	685
1994	3,483	423
1995	4,729	743
1996	6,100	1,023
1997[3]	7,074	1,203

[1] Excludes fine defaulters.
[2] Includes the Prison Service Areas of Mersey, Manchester and the North West.
[3] Provisional figures.

Public Elections

Mr. Öpik: To ask the Secretary of State for the Home Department if he will reduce the age of candidature for public elections to 18 years; and if he will make a statement. [40130]

Mr. George Howarth: The Working Party on Electoral Procedures, which I chair, will, as part of its review, consider what should be the minimum age for standing as a candidate for election.

Feltham Young Offenders Unit

Mr. Clappison: To ask the Secretary of State for the Home Department, pursuant to his answer to the hon. Member for Twickenham (Dr. Cable), of 20 April 1998, *Official Report*, columns *511–12*, on Feltham Young Offenders Unit, how many of the self-inflicted deaths and incidents of self-injury between 1993–94 and 1997–98 involved 15 and 16 year olds on remand. [39757]

Ms Quin: There were no self-inflicted deaths at Feltham among 15 and 16 year olds on remand between 1993–94 and 1997–98. Information on incidents of self-injury for each of the dates given is not recorded centrally according to age or status. This information could be obtained only at disproportionate cost.

Public Appointments

Jackie Ballard: To ask the Secretary of State for the Home Department how many and what percentage of the (i) paid and (ii) unpaid appointments which he has made to non-departmental public bodies since 1 May 1997 were women. [39405]

Mr. Straw: I have made 111 paid appointments to Home Office public bodies since 1 May 1997. Of these, 20 were women (18 per cent.). I have also made 42 unpaid appointments, of which 9 were women (21 per cent.).

The Government are committed to increasing the representation of women in public life. In support of this, my Department is currently drawing up an action plan for increasing the number of women and ethnic minorities holding public appointments.

Small Claims

Mr. Luff: To ask the Secretary of State for the Home Department, pursuant to his answer of 20 April 1998, *Official Report*, column *515*, if he will list the issues at stake in the 10 cases heard at small claims courts in Long Lartin prison in the last year. [40162]

Ms Quin: The issues heard by small claims courts held at Long Lartin prison over the last year are listed in the table.

Small claims cases heard at Long Lartin prison March 1997-March 1998

Date	Details
25 March 1997	Claim for £250 plus costs for damage to property
25 March 1997	Claim for £300 for loss of property
25 March 1997	Claim for £209 for loss of property and income
12 August 1997	Claim for £178.92 for loss of property
12 August 1997	Claim against third party—no information available from county court
12 August 1997	Claim for £500 for loss of property. Claim settled prior to hearing
12 March 1998	Claim for £650 for loss of property
12 March 1998	No information available from county court on nature of claim but award to prisoner was £250 and £60 costs
12 March 1998	Claim for £200 for damage to property
12 March 1998	Claim for £234 for damage to property

SCOTLAND

Cancer Treatment

Mr. Moore: To ask the Secretary of State for Scotland how many people in Scotland had been waiting over *(a)* one, *(b)* three, *(c)* six and *(d)* 12 months for cancer surgery in the year ended 31 March; and what was the total number of people in Scotland treated or waiting for cancer treatment in the same period. [37792]

Mr. Galbraith *[holding answer 6 April 1998]:* The precise information is not available centrally since the waiting times data collected nationally do not explicitly identify patients waiting for cancer surgery.

Cancer-related diagnosis covers a very wide range of surgical treatments, not all of which are of a serious nature. Information is collected nationally on the number of patients who were admitted to hospital from the waiting list with a cancer-related diagnosis and who were later discharged following a surgical procedure. The figures therefore do not relate to initial diagnosis nor the necessity for immediate treatment. The latest available information is provided in the table. It would be noted that, in the year to 31 December 1997, over 57% of patients who waited more than a month had minor surgical procedures for the bladder or for skin lesions.

The total number of patients discharged from hospital following cancer-related treatment in the year to 31 December 1997 was 118,191.

Patients waited	Year ending 31 December 1997 (provisional)
over one month	5,906
over three months	961
over six months	201
over twelve months	18

Source:
SMR1, ISD Scotland

Drugs

Mr. Flynn: To ask the Secretary of State for Scotland how many deaths of people aged over 60 years in Scotland resulted from *(a)* over-medication, *(b)* suicide and *(c)* other misuse of medicinal drugs in each of the past 10 years. [38352]

Mr. Galbraith *[holding answer 8 April 1998]:* The information available is given in the table.

Deaths to persons aged 60 years and over, Scotland: selected causes

	1987	*1988*	*1989*	*1990*	*1991*	*1992*	*1993*	*1994*	*1995*	*1996*
(a) Accidental poisoning by drugs, medicaments and biological substances	2	1	2	1	1	1	4	1	1	1
(b) Suicide and self-inflicted poisoning (and poisoning undetermined whether accidentally or purposely inflicted) by drug or medicament	64	41	52	48	38	45	45	49	39	45
(c) Drug dependence and nondependent abuse of drugs	0	0	0	0	0	0	1	0	0	0

ICD codes:
(a) E850-E858
(b) E950.0-E950.5, E980.0-E980.5
(c) 304, 305.2–305.9

Cause of death is classified under the Ninth Revision of the World Health Organisation's International Classification of Diseases, Injuries and Causes of Death (ICD). There is no agreed definition of medicinal drugs, and deaths resulting from drugs are classified to the ICD categories given above irrespective of how the drugs were obtained or the purpose for which they were used.

Mr. Flynn: To ask the Secretary of State for Scotland how many deaths in each of the past nine years in Scotland resulted from the use of *(a)* heroin, *(b)* temazepam, *(c)* cocaine/crack, *(d)* LSD, *(e)* solvents, *(f)* amphetamines, *(g)* ecstasy, *(h)* paracetamol, *(i)* co-proxamol, *(j)* khat, *(k)* alcohol, *(l)* tobacco and *(m)* cannabis. [38355]

Mr. Galbraith *[holding answer 8 April 1998]:* The information is given in the table.

	1993	*1994*	*1995*	*1996*
(a) Heroin	11(2)	19(1)	49(4)	32(10)
alone	3	8	25	11
with other drugs	8(2)	11(1)	24(4)	21(10)
(b) Temazepam	49(8)	84(20)	68(12)	48(19)
alone	12	12	4	1
with other drugs	37(8)	72(20)	64(12)	47(19)
(c) Cocaine/crack	2(1)	2	3	3
alone	0	2	1	1
with other drugs	2(1)	0	2	2
(d) LSD	0	1(1)	0	0
alone	0	0	0	0
with other drugs	0	1(1)	0	0
(e) Solvents	8	7	6	9
(f) Amphetamines	4	3(3)	3(1)	5(1)
alone	4	0	1	0
with other drugs	0	3(3)	2(1)	5(1)
(g) Ecstasy	0	4	3	6
alone	0	4	2	0
with other drugs	0	0	1	6
(h) Paracetamol	59(8)	59(17)	82(15)	56(14)
alone	38	32	24	24
with other drugs	21(8)	27(17)	58(15)	32(14)
(i) Co-proxamol	19(8)	27(11)	26(10)	35(11)
alone	11	13	15	20
with other drugs	8(8)	14(11)	11(10)	15(11)
(j) Khat	0	0	0	0
(k) Alcohol	421	513	599	709
(l) Tobacco	n/a	n/a	n/a	n/a
(m) Cannabis	0	0	6(2)	2(1)
alone	0	0	0	0
with other drugs	0	0	6(2)	2(1)

The figures correspond to the number of deaths where the substances were mentioned on the death certificate or were identified following investigation. Where, for example, both heroin and temazepam were involved, each will be counted in the table; once under 'heroin with other drugs' and once under 'temazepam with other drugs'. The figures in brackets are those deaths with a mention of alcohol and are included in the non-bracketed figures. None of these cases is included in line (k) which covers deaths certified as due to alcoholic psychoses, alcohol dependence syndrome, non-dependent abuse of alcohol, alcoholic cardiomyopathy, chronic liver disease and cirrhosis, and toxic effects of alcohol.

Data for years prior to 1994 are available but there are undercounts of the types of drugs involved due to the methods of data collection and processing in use at the time. From 1994, a new method was introduced which gives a more accurate count of drug deaths. Data for 1993 are not directly comparable and are provided for information purposes only.

Nurses

Mr. Alexander: To ask the Secretary of State for Scotland what expenditure by health trusts in *(a)* Scotland and *(b)* the Argyll and Clyde area was on agency nurses in the last financial year. [39563]

Mr. Galbraith: The information required to answer this question is not held centrally and could be obtained only at disproportionate cost.

Specialist Children's Nurses

Ms Squire: To ask the Secretary of State for Scotland if he will list the *(a)* number and *(b)* percentage of children's wards and departments in Scotland which had two registered specialist children's nurses or equivalents on duty 24 hours a day for each of the years 1992 to 1998. [39930]

Mr. Galbraith: The information is not held centrally.

The NHS in Scotland Management Executive issued Guidance on the care of children and young people in Scotland to the NHS in Scotland in 1993. This advised Health Boards and NHS Trusts to take account of a number of standards including the provision of at least 2 Registered Specialist Children's Nurses (RSCN) on duty 24 hours a day in all hospital children's departments and wards. The guidance also advised that a RSCN should be available 24 hours a day to advise on the nursing of children in other departments.

I have asked my Department to undertake a review of the Patient's Charter in Scotland that will begin soon. Children's services in particular will be looked at as part of this review including the provision of children's nurses in hospitals in Scotland.

Ms Squire: To ask the Secretary of State for Scotland if he will list the *(a)* number and *(b)* percentage of child admissions to all wards, including those on adult wards which had access to appropriately skilled nursing care for each of the years 1992 to 1998. [39929]

Mr. Galbraith: The information is not available in the form requested.

The available information on the number and percentage of discharges of patients aged less than 18 years from non-psychiatric and non-obstetric hospitals for the year ending March 1998 is set out in the table. All NHS patients are cared for by appropriately skilled nursing staff.

	Discharges	*Percentage*
Children's Hospitals	38,655	32.0
Children's units in Non-Children's Hospital	18,296	15.2
General facilities[1]	63,735	52.8
Total	120,686	100.00

[1] Children's wards not separately identified

Children (Hospital Treatment)

Ms Squire: To ask the Secretary of State for Scotland if he will list the *(a)* number and *(b)* percentage of children in Scotland who were admitted to hospital with psychiatric disorders who were treated in settings specifically designed for children and young people with mental health problems in each of the years 1992 to 1998. [39931]

Mr. Galbraith: The information is not available in the form requested.

The number of children discharged from hospital, having been admitted with a psychiatric disorder, who were treated in settings specifically designed for children and young adults from 1992 to 1996, the latest year for which figures are available, and total discharges for that group are set out in the table.

(a) *Year*	*(b)* *Total discharges from all settings*	*(c)* *Discharges from settings for children and young adults*	*(d)* *Percentage (c) to (b)*
1992–93	599	263	43.9
1993–94	463	248	53.6
1994–95	485	302	62.3
1995–96	557	354	63.6

Ms Squire: To ask the Secretary of State for Scotland if he will list the *(a)* number and *(b)* percentage of children who were treated on adult wards in Scotland for each of the years 1992 to 1998. [39928]

Mr. Galbraith: The information is not available in the form requested.

The available information on the number and percentage of discharges of patients aged less than 18 years from non-psychiatric and non-obstetric hospitals for the year ending March 1998 is set out in the table.

Discharges of patients under 18 from non-psychiatric and non-obstetric hospitals—year ending March 1998

	Discharges	*Percentage*
Children's hospitals	38,655	32.0
Children's units in non-children's hospital	18,296	15.2
General facilities[1]	63,735	52.8
Total	120,686	100.00

[1] Children's wards not separately identified

Tayside Health Board

Mr. Swinney: To ask the Secretary of State for Scotland what was the income and expenditure of each of the five NHS healthcare trusts in the area of Tayside Health Board in each financial year since their establishment. [39781]

Mr. Galbraith *[holding answer 28 April 1998]:* The information requested is provided in the table.

	1993–94	*1994–95*	*1995–96*	*1996–97*	*1997–98*
Dundee Teaching Hospitals NHS Trust					
Income	108,288	114,524	119,624	128,675	135,900
Expenditure	106,946	113,534	116,509	127,181	138,335

	1993–94	1994–95	1995–96	1996–97	1997–98
Dundee Healthcare NHS Trust					
Income	—	58,211	59,002	61,039	60,733
Expenditure	—	57,091	58,732	60,901	61,026
Angus NHS Trust					
Income	—	40,874	41,162	42,618	43,074
Expenditure	—	39,978	41,011	42,269	42,689
Perth and Kinross NHS Trust					
Income	—	58,057	58,017	60,717	70,807
Expenditure	—	56,608	57,770	60,285	70,850

In some years, a Trust's expenditure may exceed its income. This is generally as a result of a loss on the disposal of assets.

Note that there are only four NHS Trusts in the area of Tayside Health Board.

EDUCATION AND EMPLOYMENT

International Labour Conference

Jane Griffiths: To ask the Secretary of State for Education and Employment if he will lay before Parliament the instruments adopted at the 84 (Maritime) Session of the International Labour Conference 1996. [40465]

Mr. Andrew Smith: The texts of the instruments have today been laid before Parliament.

Engineering and Construction Training Boards

Caroline Flint: To ask the Secretary of State for Education and Employment if he will announce the outcome of the quinquennial reviews of the Construction Industry Training Board and the Engineering Construction Industry Training Board. [40464]

Dr. Howells: Against the background of the established practice of carrying out quinquennial policy and financial reviews of non-Departmental Public Bodies, the Department conducted a thorough review of the Construction Industry Training Board and the Engineering Construction Industry Training Board during 1997–98.

The first stage was a policy review of the continued need for the Boards and resulted in approval for their statutory status and levy raising powers to be extended for a further 5 years, subject to implementation of a number of recommendations to improve their strategic capability, operational effectiveness and responsiveness.

Stage 2 consisted of an update to the main recommendations from Stage 1 and a financial management survey of both organisations.

The policy review updates noted that both Boards had made significant progress in implementing many of the recommendations from Stage 1 and made a number of further, specific recommendations, including: measures to strengthen their strategic capabilities as National Training Organisations, eg publication of full labour market assessments at both national and regional level, and dissemination of the more strategic elements of the Board's work; promoting the take up of the IIP standard among companies, encouraging employers to take more responsibility for their own training and involving clients more closely in promoting and encouraging training; and moving to reduce (CITB) or eliminate (ECITB) the differential levy rate between direct employers and those using labour only sub-contractors, and establishing whether there is a consensus within the respective industries for a move to a longer levy period.

The financial management surveys, carried out for the Department by external consultants Pannell Kerr Forster, concluded generally that both Boards were adequately managed organisations, but made a number of recommendations for improvement in the areas of: planning and budgeting; financial and management control; staffing and organisation; and development of a hierarchy of key performance indicators and targets to measure progress towards achieving objectives and ensure value for money.

All recommendations from the Quinquennial Reviews will be included in timed action plans drawn up by the Boards. Implementation will be monitored and reviewed by the Department within a reasonable period.

The Policy Review Updates and Financial Management Surveys for both CITB and ECITB are published today and a copy of each is being placed in the library. Further copies can be obtained on request from: Pat Simpson, Department for Education and Employment, National Training Organisations Division, Level E4c, Moorfoot, Sheffield S1 4 PQ.

New Deal (West Wales)

Mr. Denzil Davies: To ask the Secretary of State for Education and Employment how many clients have been interviewed in the Carmarthenshire and Pembrokeshire New Deal Pathfinder Area at the latest available date; and what percentage of that number have been allocated (i) unsubsidised jobs, (ii) subsidised jobs, and (iii) full-time education and training. [38657]

Mr. Andrew Smith: As at 9 April, 714 New Deal clients had been interviewed in the Carmarthenshire and Pembrokeshire New Deal Pathfinder area. Of these, 468 are still in the Gateway, receiving advice including help with basic skills etc. Of the 157 who have left the Gateway, 34 (21.6 per cent.) have been placed into unsubsidised jobs. Of the 123 taking up New Deal options, 80 (65 per cent.) are on the employment option, 27 (22 per cent.) are on the full-time education and training option, and 16 (13 per cent.) are on the voluntary sector and/or environment task force options.

Secondary Education

Dr. Ladyman: To ask the Secretary of State for Education and Employment if he will list for each education authority *(a)* the prevalent type of secondary education offered and *(b)* the number of (i) secondary, (ii) grammar, (iii) secondary modern or high and (iv) comprehensive schools. [38297]

Mr. Byers: The number of maintained secondary comprehensive, grammar and modern schools in each local education authority is shown in the table.

The number of secondary schools for each LEA[1] (April 1998 and the percentage of pupils in grammar schools (January 1997)

LEA	Number of schools, Comprehensive[1]	Grammar	Modern
Camden	11	0	0
Greenwich	14	0	0
Hackney	9	0	0
Hammersmith and Fulham	8	0	0
Islington	9	0	0
Kensington and Chelsea	4	0	0
Lambeth	10	0	0
Lewisham	13	0	0
Southwark	13	0	0
Tower Hamlets	15	0	0
Wandsworth	9	0	0
City of Westminster	8	0	0
Barking	8	0	0
Barnet	18	3	0
Bexley	8	4	4
Brent	13	0	0
Bromley	15	2	0
Croydon	21	0	0
Ealing	12	0	0
Enfield	15	1	0
Haringey	9	0	0
Harrow	10	0	0
Havering	18	0	0
Hillingdon	15	0	0
Hounslow	14	0	0
Kingston upon Thames	0	2	8
Merton	11	0	0
Newham	14	0	0
Redbridge	13	2	0
Richmond upon Thames	8	0	0
Sutton	9	5	0
Waltham Forest	16	0	0
Birmingham	70	8	0
Coventry	19	0	0
Dudley	22	0	0
Sandwell	20	0	0
Solihull	13	0	0
Walsall	18	2	0
Wolverhampton	17	1	0
Knowsley	11	0	0
Liverpool	34	1	0
St. Helens	12	0	0
Sefton	22	0	0
Wirral	12	6	5
Bolton	16	0	0
Bury	14	0	0
Manchester	28	0	0
Oldham	15	0	0
Rochdale	14	0	0
Salford	18	0	0
Stockport	14	0	0
Tameside	18	0	0
Trafford	3	7	8
Wigan	21	0	0
Barnsley	14	0	0
Doncaster	17	0	0
Rotherham	17	0	0
Sheffield	27	0	0
Bradford	82	0	0
Calderdale	13	2	0
Kirklees	31	1	0
Leeds	44	0	0
Wakefield	18	0	0
Gateshead	12	0	0
Newcastle upon Tyne	21	0	0
North Tyneside	23	0	0
South Tyneside	11	0	0
Sunderland	17	0	0
Isles of Scilly	1	0	0
Bath and North East Somerset	8	0	0
City of Bristol	20	2	0
North Somerset	8	0	0
South Gloucestershire	14	0	0
Hartlepool	6	0	0
Middlesbrough	11	0	0
Redcar and Cleveland	13	0	0
Stockton-on-Tees	14	0	0
City of Kingston upon Hull	17	0	0
East Riding of Yorkshire	18	0	0
North East Lincolnshire	12	0	0
North Lincolnshire	14	0	0
North Yorkshire	41	3	3
York	12	0	0
Bedfordshire	58	0	0
Luton	12	0	0
Buckinghamshire	2	13	20
Milton Keynes	10	0	0
Derbyshire	47	0	0
City of Derby	14	0	0
Dorset	37	0	0
Poole	4	2	3
Bournemouth	1	2	7
Durham	36	0	0
Darlington	7	0	0
East Sussex	25	0	0
Brighton and Hove	10	0	0
Hampshire	72	0	0
Portsmouth	9	0	0
Southampton	13	0	0
Leicestershire	55	0	0
Leicester City	21	0	0
Rutland	3	0	0
Staffordshire	69	0	0
Stoke on Trent	16	1	0
Wiltshire	28	2	3
Swindon	11	0	0
Bracknell Forest	6	0	0
Windsor and Maidenhead	13	0	1
Newbury	11	0	0
Reading	6	2	0
Slough	1	4	6
Wokingham	9	0	0
Cambridgeshire	31	0	0
Peterborough	13	0	0
Cheshire	46	0	0
Halton	9	0	0
Warrington	12	0	0
Devon	36	1	0
Plymouth	15	3	0
Torbay	5	3	0
Essex	76	4	0
Southend	5	4	3
Thurrock	10	0	0
Herefordshire	14	0	0
Worcestershire	61	0	0
Kent	28	33	47
Medway Towns	2	6	12
Lancashire	81	4	4
Blackburn	9	0	0

The number of secondary schools for each LEA[1] (April 1998 and the percentage of pupils in grammar schools (January 1997)

LEA	Number of schools		
	Comprehensive[1]	Grammar	Modern
Blackpool	8	0	0
Nottinghamshire	58	0	0
Nottingham City	21	0	0
Shropshire	22	0	0
The Wrekin	11	2	0
Cornwall	31	0	0
Cumbria	41	1	0
Gloucestershire	35	7	0
Hertfordshire	88	0	0
Isle of Wight	21	0	0
Lincolnshire	34	15	14
Norfolk	52	0	0
Northamptonshire	62	0	0
Northumberland	61	0	0
Oxfordshire	44	0	0
Somerset	39	0	0
Suffolk	78	0	0
Surrey	53	0	0
Warwickshire	22	5	10
West Sussex	39	0	0
Total	3,236	166	158

[1] Schools fully selective on grounds of aptitude rather than ability and partially selective schools have been included with comprehensive schools.

Source:

The Register of Education Establishments.

Young People in Care

Mr. Dawson: To ask the Secretary of State for Education and Employment what measures he will take to ensure that young people in care have their education, employment and training needs met. [40114]

Ms Estelle Morris: The Department is examining urgently ways to secure that the education, employment and training needs of young people who are looked after by the local authority are met more effectively. We have set up a national forum, including representatives of leading statutory and voluntary agencies, to look at a range of possible initiatives. These include issuing statutory guidance to authorities and schools, providing better information on, and setting targets for, educational outcomes, and promoting advocacy schemes.

Public Appointments

Jackie Ballard: To ask the Secretary of State for Education and Employment how many and what percentage of the (i) paid and (ii) unpaid appointments which he has made to non-departmental public bodies since 1 May 1997 were women. [39404]

Dr. Howells: The total number of appointments and re-appointments to Non-Departmental Public Bodies sponsored by this Department since 1 May 1997 is 83, of which 20 have been women. Of these (i) 3 have been paid appointments (this represents 27 per cent. of all paid appointments and re-appointments), and (ii) 17 have been unpaid (this represents 24 per cent. of all unpaid appointments and re-appointments).

The Government are committed to increasing the representation of women in public life. In support of this, this Department is currently drawing up an action plan for increasing the number of women and ethnic minorities holding public appointments.

Job Creation

Mr. Jim Cunningham: To ask the Secretary of State for Education and Employment what progress is being made, with Britain's partners in the European Union, towards establishing an integrated approach to job creation measures across Europe. [39788]

Mr. Andrew Smith: The key elements of the Conclusions at the Luxembourg Special Summit on Employment, held in November 1997, included agreement on a set of Employment Guidelines. The Guidelines are designed to focus member states' efforts to tackle unemployment across Europe through, among other things, fostering the macro-economic and labour market conditions that will allow companies to create more jobs.

All member states have produced National Employment Action Plans which set out how they intend to implement the Employment Guidelines. These are now being assessed and will be discussed at the Cardiff European Council in June.

Copies of the UK Employment Action Plan are available in the Library.

WALES

Osteoporosis

Mr. Austin: To ask the Secretary of State for Wales (1) what assessment he has made of the incidence of osteoporosis; and what estimate he has made of the cost of osteoporosis to the NHS in Wales in the last 12 months; [37312]

(2) what estimate he has made of the cost of treating osteoporotic fractures in the last 12 months; [37319]

(3) what percentage and number of *(a)* accidents and *(b)* orthopaedic hospital admissions in Wales are directly attributable to osteoporosis; [37325]

(4) what estimate he has made of the projected number of osteoporotic fractures in Wales in the next 12 months and the number of *(a)* orthopaedic beds and *(b)* days of hospitalisation required to treat them. [37332]

Mr. Win Griffiths *[holding answer 6 April 1998]:* Information on the incidence of osteoporosis or the number of accidents caused by osteoporosis is not available centrally. It is estimated that around 0.1 per cent. of the 56,000 hospital admissions in the specialty of "Trauma and orthopaedics" during 1996–97 were attributable to osteoporosis. No estimate has been made of the number of osteoporotic fractures which are likely to occur during the next 12 months but 35 cases were treated as in-patients or day cases in NHS hospitals in Wales during 1996–97, accounting for 586 bed-days. Of these, only three cases were treated in beds in the specialty of "Trauma and orthopaedics", accounting for 78 bed-days. No information is available centrally concerning the cost of treating osteoporosis or osteoporotic fractures.

National Assembly

Mr. Wigley: To ask the Secretary of State for Wales what representations he has received on access by disabled people to the National Assembly. [39740]

Mr. Ron Davies: I have received a number of representations, including those from Disability Wales and Wales Council for the Blind. In my consultation paper, I made it clear that one of the fundamental requirements of the Assembly was access for the public, including those with disabilities. My decision to construct a new building will provide the best scope for meeting the provisions of the Disability Discrimination Act 1995.

TRADE AND INDUSTRY

Coal Mining Subsidence

Mr. Tipping: To ask the President of the Board of Trade when she expects to receive the Coal Authority's third report on the Administration of the Coal Mining Subsidence Damage Repair and Compensation Scheme. [40528]

Mr. Battle: I have now received this report from the Coal Authority and have arranged for copies to be placed in the Libraries of both Houses today.

PVC Toys

Mr. Baker: To ask the President of the Board of Trade (1) if the Government will support proposals from other EU member states for emergency measures to restrict the marketing of soft PVC toys; [39974]

(2) if the Government will require retailers and manufacturers to withdraw soft PVC toys for infants; [39975]

(3) if the Government support the Dutch Government's proposals to use human volunteers to test the hazards of soft PVC toys; and if she will take steps to ensure that this testing does not delay emergency restrictions in the EU on the marketing of soft PVC toys. [39976]

Mr. Nigel Griffiths: None of the evidence available suggests that soft PVC toys currently on the market in this country would, in foreseeable conditions of use, lead to the release of dangerous levels of phthalates. Under the Toys (Safety) Regulations 1995 suppliers have a statutory duty to supply safe toys and action can be taken against a supplier of toys found to release unacceptable levels of phthalates.

Following my instructions last year, UK safety experts have been leading the research into the release of phthalates. They are working with experts from other member States including those carrying out the Dutch study. I am most concerned to ensure that articles intended for use by children are safe and, if the research being carried out shows that there is cause for concern, the Government will not hesitate to act.

Public Appointments

Jackie Ballard: To ask the President of the Board of Trade how many and what percentage of the (i) paid and (ii) unpaid appointments which she has made to non-departmental public bodies since 1 May 1997 were women. [39399]

Mrs. Beckett: Of the appointments and re-appointments I have made to non-departmental public bodies since 1 May 1997:

(i) 31 were women to positions which received some remuneration (24.4% of remunerated appointments);

and

(ii) 32 were women to unpaid positions (18.8% of unpaid appointments).

The Government are committed to increasing the representation of women in public life. In support of this, my Department is currently drawing up an action plan for increasing the number of women and ethnic minorities holding public appointments.

Single Currency

Mr. Jim Cunningham: To ask the President of the Board of Trade what percentage of companies in each Government office region he estimates are undertaking measures to prepare themselves for the introduction of the European single currency. [39782]

Mrs. Beckett: The information is not available in the form my hon. Friend requests. As part of its work to increase awareness of the single currency and to help businesses to prepare, the Treasury's Euro Preparations Unit will be monitoring the general level of business preparations over the coming months, which will give us an indication of regional activity.

EU Works Council

Mr. Jim Cunningham: To ask the President of the Board of Trade how many employees are covered by European Works Councils in *(a)* Coventry, *(b)* the West Midlands and *(c)* the UK. [39783]

Mr. Ian McCartney: The European Works Councils Directive has to be implemented in the United Kingdom by 15 December 1999. Until it is implemented, there is no obligation on companies to include workers in the United Kingdom in arrangements for European-level information and consultation, although a considerable number have already done so voluntarily.

The Government do not collect information on the numbers of employees affected by voluntary arrangements or likely to be covered when the directive comes into force. From research carried out for the TUC, it appears that around 4 million workers in the United Kingdom may be covered by the Directive once it is in force here.

Astra Holdings

Mr. Campbell-Savours: To ask the President of the Board of Trade what assessment she has made of the comments of Lord Justice Rattee on the proceedings in the case against Mr. Gerald James; and if she will make a statement. [38922]

Mrs. Beckett: Following my assessment of Judge Rattee's comments at a pre-trial review hearing, I announced my decision to discontinue the disqualification proceedings against Mr. Gerald James and 3 others.

Mr. Campbell-Savours: To ask the President of the Board of Trade when during the last eight months the contents of the letter of 7 April 1993 from J. M. Moulsdale to the Deputy Inspector of Companies were drawn to her attention. [38923]

Mrs. Beckett: I became aware of the existence of the letter from Mr. Moulsdale, secretary to the Astra Holdings plc inspection, in February 1998 following a newspaper article suggesting, mistakenly, that I had tried to suppress its disclosure on public interest grounds. The letter itself became a particular issue for me when, later in February, the trial judge presiding over the Astra directors disqualification proceedings invited me to give the disqualification proceedings my personal consideration.

Mr. Campbell-Savours: To ask the President of the Board of Trade why proceedings for disqualification as company directors were dropped in the case of two of the directors of Astra. [38921]

Mrs. Beckett: Proceedings for the disqualification of two directors of Astra Holdings plc were discontinued after considering their evidence in reply to the then Secretary of State's allegations of unfit conduct.

Mr. Campbell-Savours: To ask the President of the Board of Trade what has been the cost of the investigation into the activities of Mr. Gerald James in relation to his employment by defence contractors. [38897]

Mrs. Beckett: There has been no investigation by the Department into the activities of Mr. Gerald James in relation to his employment by defence contractors. The cost of the Companies Act inspection into the affairs of Astra Holdings plc, of which Mr. James was a director, was £2.3m.

Clean Coal Technology

Sir Raymond Powell: To ask the President of the Board of Trade when she expects the review of clean coal technology to be completed. [38828]

Mr. Battle: We shall be publishing an Energy Paper setting out our new policy on clean coal technology in the summer.

Arms Exports

Ann Clwyd: To ask the President of the Board of Trade, pursuant to her answer of 27 November 1997 to the hon. Member for Newport, West (Mr. Flynn), *Official Report*, column *645*, on export credits, if she will list the defence exports specifying (i) type of equipment, (ii) exporting company, (iii) customer in recipient country and (iv) year of defence sale which were underwritten by ECGD and for which claims have been made by manufacturers but not recovered from the governments of *(a)* Venezuela, *(b)* Jordan, *(c)* Kenya, *(d)* Egypt and *(e)* Algeria. [39268]

Mrs. Roche: ECGD is not in a position to provide such detailed information in the form requested because of disproportionate cost and the need to maintain commercial confidentiality.

Mr. Kidney: To ask the President of the Board of Trade what export controls her Department exercises over the supply of military, security and police equipment to Kenya. [35895]

Mrs. Roche: The export to any destination of military, security and para-military goods and arms, ammunition and related material is subject to control by virtue of being listed in Part III of Schedule 1 to the Export of Goods (Control) Order 1994, the so-called "Military List".

Arms Sales

Mr. Rowe: To ask the President of the Board of Trade what steps the Government have taken to increase parliamentary scrutiny of arms export procedures. [28716]

Mrs. Roche: Guidance material on export licensing procedures is published by the Export Control Organisation of the Department.

The possibility of introducing parliamentary scrutiny of Export of Goods (Control) Orders (EGCOs) is one of the issues being considered in the current DTI-led review of strategic export controls. The Government expect to publish their proposals during the current parliamentary session, probably in the form of a White Paper.

INTERNATIONAL DEVELOPMENT

Public Health

1. **Mr. Simon Hughes:** To ask the Secretary of State for International Development what are the public health priorities of her Department. [39058]

Mr. Foulkes: Our top priority for public health in poor countries is to strengthen health systems to meet better the needs of poorer people. Many developing countries currently spend less than £3 per person per year on all health needs. But it is recognised that as little as £9 per person per year is needed to make a major difference to poor people's health. We work to support health sector reform and improvements in water and sanitation. We have seen real progress in the last decade with new approaches to reduce suffering from TB and Malaria. More needs to be done. Poor people are at high risk of death from communicable disease and ill health increases their poverty.

Japan

10. **Mr. Viggers:** To ask the Secretary of State for International Development if she will make a statement on co-operation with Japan in international development. [39070]

Clare Short: I am keen to increase our collaboration with Japan and have visited Tokyo to meet Ministers and others to this end. We are working closely with Japan and other countries to take forward the International Development Strategy, which Japan strongly supported in the Development Committee of the Organisation for

Economic Corporation Development. We are also successfully co-operating with Japan on specific projects in Africa, Asia and in Bosnia.

Debt Relief

11. **Mr. Baldry:** To ask the Secretary of State for International Development if she will make a statement on the discussion she has had with the Chancellor of the Exchequer on initiatives being taken by Her Majesty's Government to help relieve developing countries' debt. [39071]

Clare Short: My right hon. Friend the Chancellor of the Exchequer and I recently gave evidence before the Select Committee on International Development, which is conducting an inquiry on debt, and set out the Government's position. While recent progress on the Heavily Indebted Poor Countries (HIPC) debt Initiative is welcome, there is no room for complacency. We are keen to seek ways of assisting post-conflict countries like Rwanda.

19. **Mr. Pickthall:** To ask the Secretary of State for International Development what discussions she has had with non-governmental organisations on the subject of debt relief; and if she will make a statement. [39079]

Clare Short: I regularly meet NGOs and church groups to discuss international debt. Most recently, I met with Jubilee 2000, CAFOD, and representatives of the Archbishops of Canterbury and Westminster, to discuss the rally they are organising in Birmingham on 16 May. I very much welcome the leading role that such groups have played in keeping debt high up the international policy agenda.

Montserrat

12. **Mr. Paterson:** To ask the Secretary of State for International Development if she will make a statement on development aid to Montserrat. [39072]

Clare Short: We have committed £62 million to Montserrat in emergency and development assistance since the volcanic crisis began in 1995. We are increasingly moving away from crisis management and are working with the Government of Montserrat to agree a sustainable development plan so that the north of the island is able to meet the needs of those remaining on the island.

UN Population Fund and International Planned Parenthood Federation

13. **Mr. Martyn Jones:** To ask the Secretary of State for International Development if she will make a statement on her Department's contributions to UNFPA and IPPF for 1998–99. [39073]

Clare Short: The United Nations Population Fund (UNFPA) and the International Planned Parenthood Federation (IPPF) provide essential sexual and reproductive health care information and services for many millions of the world's poorest people. They make a significant contribution to better health and control over their fertility, particularly for women. In 1998–99, the Department for International Development (DFID) plans core contributions of £13 million to UNFPA and £5.5 million to IPPF.

EU Aid

14. **Ms McCafferty:** To ask the Secretary of State for International Development what are her Department's priorities during the EU presidency in respect of improving the EU aid disbursement management and mechanisms to allow increased access by non-governmental organisations concerned with population and reproductive health. [39074]

Clare Short: We are encouraging the Commission to amend the EU's Financial Regulation to make all EC aid management procedures faster and more flexible. We hope that the establishment of the Common Services Directorate which the Commission are currently working on will also contribute to increased effectiveness and transparency.

Jamaica

15. **Mr. Mullin:** To ask the Secretary of State for International Development what recent discussions she has had with the Government of Jamaica regarding human rights and debt relief; and if she will make a statement. [39075]

Clare Short: My officials have held extensive discussions with the Jamaican Government over the last few months with regard to the Commonwealth Debt Initiative. As a result, we have been able to offer Jamaica relief from aid debt repayments for the 1998–99 financial year to the value of £7.3 million. We have also held discussions with the Jamaican Government on prison conditions. We have offered to provide technical assistance in a number of areas, including improvements in the remand process, protection and non-custodial sentences.

Multilateral Aid Programmes

16. **Dr. Godman:** To ask the Secretary of State for International Development when she next plans to meet her colleagues from other member states of the European Union to discuss matters relating to multilateral aid programmes. [39076]

Clare Short: I meet my colleagues from other Member States regularly to discuss the EU's and other development programmes. I will be meeting them next at the Development Council on May 18, which I will chair.

21. **Mr. David Heath:** To ask the Secretary of State for International Development what measures have been taken to co-ordinate European Union and United States aid programmes. [39081]

Clare Short: I regularly meet Brian Attwood, who is the head of US AID. I also took the opportunity of the spring meeting of the World Bank to meet officials of the State Department, Treasury and US Aid to discuss development policy. Our aim is to encourage the EU and US to collaborate to implement the international poverty eradication strategy.

Western Sahara

17. **Ms Kingham:** To ask the Secretary of State for International Development if she will make a statement on her Department's assistance to the Saharawi refugees from Western Sahara. [39077]

Clare Short: Saharawi refugees fled to Algeria in 1975 to escape fighting between the Moroccan army and the Polisario Front. Despite recent signs of progress, the two side have still not resolved all their differences, and some 80,000 refugees remain in four camps in Algeria's harsh desert area of Tindouf.

The camps receive support from the United Nations High Commission for Refugees (UNHCR), World Food Programme (WFP), Saharawi Red Cross and various NGOs. The UK is a major contributor to UNHCR: we recently announced a £10 million package of support for 1998, of which £7 million will go to general programmes which include assistance to the Saharawis. Last year, my Department also agreed to provide £50,000 to War on Want for the improvement of food storage facilities for the refugees, and £30,000 to Action Water to improve water supply and distribution in the camps.

Jubilee 2000

18. **Mrs. Betty Williams:** To ask the Secretary of State for International Development what consultations she has had with Jubilee 2000; and if she will make a statement. [39078]

Clare Short: I have met representatives of the Jubilee 2000 Coalition on a number of occasions, most recently on 25 March, when we discussed the rally it is organising in Birmingham on 16 May. I very much welcome the leading role that Jubilee 2000 has played in keeping debt high up the international policy agenda.

Southern Africa

20. **Mr. Fabricant:** To ask the Secretary of State for International Development if she will make a statement on her Department's aid programmes to the people of southern Africa. [39080]

Clare Short: My Department's priority in Southern Africa is to tackle poverty and meet international development targets through sustainable economic and social development, helping build and maintain efficient and accountable government, and securing fair access to international markets for Southern African trade. We plan bilateral assistance of around £40 million in the current financial year to help develop regional co-operation and to build local capacity in South Africa, Botswana, Lesotho, Namibia and Swaziland, as well as our share of multilateral programmes.

Know-how Fund

22. **Mr. Mackinlay:** To ask the Secretary of State for International Development what measures are proposed to promote market economies in the emerging democracies by way of expanding the know-how fund and related schemes. [39082]

Clare Short: The Know How Fund exists to support the transition countries to develop democratic and market economy institutions.

We also support World Bank, EBRD, TACIS and PHARE Programmes to assist these aims.

The Know How Fund spent approximately £90 million in 1997–98, and will spend about £80 million in 1998–99. We also contribute substantial sums to the transition countries through multilateral channels.

Multilateral Agreement on Investment

23. **Mr. Chaytor:** To ask the Secretary of State for International Development what plans she has to protect the interests of developing countries within the continuing negotiations on the multilateral agreement on investment. [39083]

Clare Short: My Department's report on the development implications of the Multilateral Agreement on Investment (MAI) was presented to our negotiating partners and has been warmly welcomed for its contribution to discussion of how the interests of developing countries may be accommodated by the MAI. It was agreed that the Organisation for Economic Co-operation and Development (OECD) Secretariat should conduct further analytical work on the MAI and development, and officials from my Department will be contributing to that process. Yesterday, OECD Ministers reaffirmed their commitment to a successful and timely conclusion of the MAI negotiations. Ministers also agreed to pursue active dialogue with non-Member countries, including their development interests. The period of assessment and consultation before the next meeting of the Negotiating Group in October provides an opportunity to continue analysis and consultation.

Bosnia

24. **Mr. Home Robertson:** To ask the Secretary of State for International Development if she will make a statement on the aid programme in Bosnia. [39084]

Clare Short: My Department has provided more than £400 million of humanitarian and reconstruction aid and technical assistance to, Bosnia-Herzegovina since 1992. As the large World Bank and European Union programmes, to which Britain contributes substantially, are now coming on stream, the focus of my Department's work is moving from emergency to development assistance.

During my visit to Bosnia-Herzegovina in February, I reviewed our programme and the focus of our activities for the forthcoming year will be refugee return and reconciliation, additional advice and support to the Government of Republika Srpska, health financing system reform, media training, development of the small and medium enterprise sector, institutional development and advice on enterprise restructuring. We shall conclude activities in inter-entity electricity transmission reconstruction. We are also considering how we might help further with demining.

International AIDS Vaccine Initiative

25. **Mr. Gerrard:** To ask the Secretary of State for International Development what discussions she has held recently concerning the international AIDS vaccine initiative. [39085]

Clare Short: Officials from my Department maintain regular contact with the administrator of the Initiative. We are currently exploring opportunities for greater collaboration.

Refugee Camps (Abortion)

26. **Mrs. Ann Winterton:** To ask the Secretary of State for International Development if she will make a

statement on her Department's policy on programmes to protect women in refugee camps from using inappropriate post-coital and abortion techniques. [39086]

Clare Short: It is my Department's policy to support programmes that offer all women and men essential health care, including reproductive health care, information and services, that responds to their demands and to offer them informed choices. We work to ensure that women in refugee camps have free and informed choices in line with best medical practice.

Caribbean Banana Producers

27. **Mr. Corbyn:** To ask the Secretary of State for International Development what support her Department is giving to Caribbean banana producers. [39087]

Clare Short: The Government are working hard to ensure that the interests of the Caribbean banana producers are taken fully into account in revising the EU's current banana regime. In addition, we are also providing support, through the EC and bilaterally, for the banana industry—through restructuring and help to improve efficiency; for economic diversification; and for general economic and social development.

Public Appointments

Jackie Ballard: To ask the Secretary of State for International Development how many and what percentage of the (i) paid and (ii) unpaid appointments which she has made to non-departmental public bodies since 1 May 1997 were women. [39396]

Mr. Foulkes: Since 1 May 1997, the Secretary of State has made 13 new public appointments—all of them unpaid. Five of them (38%) were women.

Rwanda

Dr. Starkey: To ask the Secretary of State for International Development if she will make a statement on the level of Government aid to Rwanda. [39066]

Clare Short: Our priority is to support the Rwandan Government's efforts to achieve sustained economic growth and poverty reduction. We have committed £25 million in rehabilitation assistance to this end targeted on national reconciliation, including human rights protection; economic reform; and human resource development. We want to do more.

Pakistan

Sir Teddy Taylor: To ask the Secretary of State for International Development if she will make a statement on aid provision for Pakistan. [39063]

Clare Short: Our bilateral programme for Pakistan is running at about £25 million annually. Its main focus is on improving essential social services, such as elementary education and basic health facilities for the poor—especially women and girls.

Indonesia

Miss McIntosh: To ask the Secretary of State for International Development if she will make a statement on assistance given by her Department to Indonesia. [40183]

Clare Short: Shortly after we took office, I reviewed our programme in Indonesia and decided that, in future, we would provide support for sustainable forestry management with an increased emphasis on benefits to poor people living in forest areas. In addition, we are working with the International Labour Organisation to develop a programme of support to trade unions. In East Timor, we are supporting the International Committee of the Red Cross's water and sanitation programme, and the preparation of a programme to develop the capacity of local community organisations.

Since the crisis, we have supported World Bank efforts to mitigate the damage to poor people. Our normal practice is to provide food aid through international agencies. A World Food Programme mission has recently returned and we are ready to provide help if needed. But food aid can undermine local production and it is preferable that implementation of IMF reforms enables the country to afford food imports.

AGRICULTURE, FISHERIES AND FOOD

Organic Production

Mr. Drew: To ask the Minister of Agriculture, Fisheries and Food what representations he has made to the United States Government regarding their proposal to redefine organic agriculture; [39870]

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what representations he has made to the US Food and Drugs Administration in respect of their plans to redefine organic food; and if he will make a statement. [39973]

Mr. Morley: I refer the hon. Members to the reply given to my hon. Friend the Member for Stroud (Mr. Drew) on 16 March 1998, *Official Report*, column *480*.

Vets

Mr. Drew: To ask the Minister of Agriculture, Fisheries and Food if he will investigate the possibility of co-ordinating insurance policy premiums organised by, and for, vets. [39867]

Mr. Rooker: No; there are a number of independent companies offering insurance policies to cover some of the cost of veterinary treatment for animals.

Mr. Drew: To ask the Minister of Agriculture, Fisheries and Food if he will investigate the fees charged by vets. [39868]

Mr. Rooker: No. Clients are free to choose their veterinary surgeons. The fees charged by a veterinary surgeon to a client are a private matter between the client and the veterinary surgeon and are not the responsibility of this Department.

Milk Quotas

Mr. Drew: To ask the Minister of Agriculture, Fisheries and Food what proposals he has to secure an updating of the butterfat base to give a better representation of the milk quota. [39866]

Mr. Rooker: An update of the butterfat base for the UK milk quota would be equivalent to an increase of quota. In the context of the Agenda 2000 proposals for the reform of the EU dairy regime, the Government are pressing for an increase in milk quotas as a transitional measure towards their removal.

Cattle Exports

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what is his policy in respect of the provision of subsidies by the EU to encourage the export of cattle from the EU to the Middle East. [39971]

Mr. Rooker: Our strong preference is for cattle to be exported as meat rather than as live animals. Nevertheless, we recognise that, at the present moment, export refunds continue to be an economic reality. The EU beef sector remains in structural surplus and if these exports did not take place, the beef would probably be offered into intervention at considerably higher cost to the EU budget.

As part of our commitment to improving animal welfare, we successfully pressed for the adoption of an EU Council Regulation which provides that the payment of refunds for live animals is subject to compliance with Community legislation concerning animal welfare and, in particular, the protection of animals during transport. We consider that this will help achieve our aim to reduce the number of live animals being exported to third countries and traded within the Community and ensure that those animals that are exported receive an appropriate standard of welfare.

Public Appointments

Jackie Ballard: To ask the Minister of Agriculture, Fisheries and Food how many and what percentage of the (i) paid and (ii) unpaid appointments which he has made to non-departmental public bodies since 1 May 1997 were women. [39400]

Mr. Morley: Of the paid appointments made since 1 May 1997, twelve (9.75 per cent.) were women. Ten (17.5 per cent.) of the appointees to unpaid posts were women.

The Government are committed to increasing the representation of women in public life. In support of this, the Department has drawn up an action plan for increasing the number of women and ethnic minorities holding public appointments.

Fishing Fleet

Mr. Fraser: To ask the Minister of Agriculture, Fisheries and Food what is the current registered size of the UK *(a)* coastal and *(b)* deep water fishing fleet; and what was it in (i) 1993 and (ii) 1988. [39890]

Mr. Morley: The available information is given in the table. The information for 1988 was collected and compiled on a different basis from that for 1993 and 1998 and the figures are therefore not directly comparable.

The registered tonnages comprise measurements partly as Gross Registered Tonnage (GRT) and partly as Gross Tonnage (GT or according International Tonnage Convention 1969). For the same vessel, these measures can differ significantly. Further information can be found in "UK Sea Fisheries Statistics 1996" published by HMSO, a copy of which is in the Library.

The UK fishing fleet: 1988, 1993 and 1998

	Total UK fishing fleet		*of which:*					
			Coastal vessels Vessels under 10 metres		*Deep water vessels Vessels over 27 metres*		*Vessels between 10 and 27 metres*	
At end-years	*Number of vessels*	*Registered tonnage*	*Number of vessels*	*Registered tonnage*	*Number of vessels*	*Registered tonnage*	*Number of vessels*	*Registered tonnage*
1988[1]	8,132	145,377	[2]—	[2]—	[2]—	[2]—	[2]—	[2]—
1993	11,108	213,667	7,666	25,363	289	90,357	3,153	97,946
1997	7,809	206,308	5,470	19,135	281	111,951	2,058	75,221

[1] Figures refer to the active fleet and are on a different basis from the later figures which relate to the registered fleet
[2] Not available

EU Subsidies

Miss Widdecombe: To ask the Minister of Agriculture, Fisheries and Food (1) when *(a)* the Sheep Annual Premium Scheme Record Flock Book and *(b)* the Sheep and Goats on Farm Movement Book was first printed; through which outlets they were made available; and what was the earliest date on which they were available at these outlets; [39717]

(2) how many farmers had their subsidies withheld for failing to complete *(a)* the Sheep Annual Premium Scheme Record Flock Book and *(b)* the Sheep and Goats on Farm Movement Book in 1997; and what was the total value of the subsidy so withheld; [39718]

(3) how many farmers had their subsidies withheld in 1997 on the grounds that they had failed to complete *(a)* the Sheep Annual Premium Scheme Record Flock Book, and *(b)* the Sheep and Goats on Farm Movement Book and gave as their reason for not filling in the specified forms the difficulty of obtaining them. [39719]

Mr. Rooker: The Sheep and Goats (Records, Identification and Movement) Order 1996, among other things, lays down the requirements for recording flock numbers and animal movements which producers must follow in order to receive Sheep Annual Premium. The Order specifies the information that must be recorded but not the precise format. Full details, including recommended formats, are given in a booklet 'Sheep and Goat Identification, Records and Movement—A Guide to the Legal Requirements' which was distributed to sheep farmers early in 1996. In addition, a recommended format is reproduced in the Notes for Guidance on the Sheep Annual Premium Scheme which are distributed with the claim form each year to all known producers.

The Sheep Annual Premium Scheme Record Flock Book and the Sheep and Goats on Farm Movement Book referred to in these questions are not produced by the Government.

In England, eighty three 1997 Sheep Annual Premium claims (involving one hundred and seven producers) were not paid because of irregularities which included inadequate records to support the claim. The total value of these claims is estimated as £235,000. All of the claimants would have received copies of the suggested format for a combined Sheep on Farm Movement and Flock Record annexed to the Notes for Guidance with their claim forms.

Parliamentary Questions

Mr. Jack: To ask the Minister of Agriculture, Fisheries and Food if he will list the outstanding Written Questions tabled by the Right hon. Member for Fylde; and when replies will be given. [37172]

Dr. John Cunningham *[holding answer 2 April 1998]:* As of 29 April, I have no outstanding Written Questions tabled by the right hon. Member for Fylde (Mr. Jack).

HEALTH

Notional Rent Scheme

Dr. Tonge: To ask the Secretary of State for Health what plans he has for the continuation of the notional rent scheme for general practitioners. [38766]

Mr. Milburn: The notional rent scheme continues. As with all aspects of the National Health Service, we continue to look at ways of improving value for money and the quality of services for patients.

Ambulance Staff

Mr. Alan Johnson: To ask the Secretary of State for Health what representations he has received about establishing a professional register for ambulance technicians and paramedics; and if he will make a statement. [39770]

Mr. Milburn: My noble Friend the Minister of State met the Ambulance Services Association on 11 February 1998 and asked to be kept informed of the profession's efforts in working towards recognition as a profession supplementary to medicine.

Public Appointments

Jackie Ballard: To ask the Secretary of State for Health how many and what percentage of the (i) paid and (ii) unpaid appointments which he has made to non-departmental public bodies since 1 May 1997 were women. [39409]

Mr. Milburn: Of the paid appointments made to the Department's non-departmental bodies since 1 May 1997, 13 (26 per cent.) were filled by women. Of the unpaid appointments made to the Department's non-departmental public bodies since 1 May 1997, 36 (86 per cent.) were filled by women.

We are committed to increasing the representation of women in public life. In support of this, the Department is currently drawing up an action plan for increasing the number of women holding public appointments.

Medical School (Warwick and Leicester)

Mr. Jim Cunningham: To ask the Secretary of State for Health if he will make a statement regarding Warwick and Leicester Universities proposals for a joint medical school. [39786]

Mr. Milburn: The third report of the medical workforce standing advisory committee (MWSAC), published at the end of 1997, recommended an increase of about 1,000 in the intake of medical students in the United Kingdom. When the report was published, we said that we would announce our decisions on all of the MWSAC's recommendations in a few months time in the light of the comprehensive spending review.

We are aware of proposals by the Universities of Warwick and Leicester to establish a new joint medical school. However, we will not give detailed consideration to how any possible increase in medical student numbers might be implemented until after the decisions on the MWSAC recommendations have been announced later in the year.

Health Inequalities (Coventry)

Mr. Jim Cunningham: To ask the Secretary of State for Health what strategies his Department is undertaking to tackle health inequalities in Coventry. [39785]

Ms Jowell: Tackling inequalities is a central plank in both "Our Healthier Nation" and "The New NHS". Consultation on "Our Healthier Nation" concludes on 30 April, and a White Paper setting out the Government's strategy for promoting health and tackling inequalities will be published in the autumn.

New statutory duties of partnership will ensure that all parts of the National Health Service as well as local authorities work together to tackle health inequalities.

At the local level, Coventry Health Authority has decided upon a pattern of action, published in their paper of January 1998 "Combating Inequalities and Developing Health". This is a policy framework for combating inequalities in health in Coventry through partnership and effective development of joint action locally.

Care Leavers

Mr. Dawson: To ask the Secretary of State for Health what steps he will take to ensure that local authorities make appropriate arrangements to meet the housing needs of young people leaving care. [40115]

Mr. Boateng: Current Children Act Guidance and Regulations give extensive advice to local authorities on how to meet the accommodation needs of children leaving care. The housing needs of care leavers should be met through joint planning and action by the social services and housing departments of the local authority.

Mr. Dawson: To ask the Secretary of State for Health what steps he will take to ensure that local authorities monitor the *(a)* accommodation arrangements, *(b)* educational attainment and *(c)* employment status of young people at the point they leave care. [40113]

Mr. Boateng: Local authorities are required to draw up a plan for each child they are looking after and to review the case at regular intervals. The Children Act Guidance and Regulations advise on the formulation of a continuing care plan in preparation for leaving care, including accommodation arrangements, education attainment and employment status for the child when leaving care.

Mr. Dawson: To ask the Secretary of State for Health if he will amend the Children Act 1989 to require that the responsibility for a young person placed outside his local authority area remains with the placing authority. [40116]

Mr. Boateng: Where a young person is living in another local authority area at the point of leaving care, or after having left care moves to another area, the responsibility for providing after-care services rests with the new authority. We have consulted on whether the Children Act 1989 should be amended to place this responsibility on the local authority which has been looking after the young person and the issue is being considered by the Ministerial Task Force on the Children's Safeguards Review. The task force is expected to report in the summer.

Health Care Assistants

Helen Jones: To ask the Secretary of State for Health if he will list, for each healthcare trust in the North West Region, *(a)* the number of healthcare assistants employed by that trust and *(b)* the percentage of the total workforce which that figure represents. [39977]

Mr. Milburn: The table gives the number of healthcare assistants employed in each trust within the North West region, and the per cent. represented in each trust by this group of staff. These figures are based on the Department's medical and dental and non-medical workforce censuses as at 30 September 1996.

Health care assistants (HCAs) are defined as support staff who are trained, or who are undertaking training, in the various competencies related to their job through National Vocational Qualification or other local HCA training. The figures in the table exclude staff acting as unqualified nurses or therapy helpers or assistants.

NHS hospital and community health services (HCHS) health care assistants and percentage of health care assistants within the total NHS HCHS workforce in North West regional office area by trust as at 30 September 1996

		Whole-time equivalents	
	HCAs	*Total HCHS workforce*	*Percentage of total HCHS workforce*
North West	1,830	97,020	1.9
Mersey Regional Ambulance Service NHS Trust	[1]—	970	0.0
Wirral Hospital NHS Trust	10	3,610	0.3
St. Helens & Knowsley Hospitals NHS Trust	110	3,280	3.4
Chester & Halton Community NHS Trust	30	640	4.7
Liverpool Cardiothoracic NHS Trust	[1]—	630	0.0
Royal Liverpool children's Hospital NHS Trust	[2]—	1,690	0.0
The Mid Cheshire Hospitals NHS Trust	150	1,990	7.5
Central Manchester Healthcare NHS Trust	[2]—	4,810	0.0
Christie Hospital NHS Trust	[2]—	1,040	0.0
South Cumbria Community & Mental Health NHS Trust	10	530	1.9
Westmoreland Hospitals NHS Trust	[1]—	500	0.0
Aintree Hospitals NHS Trust	110	3,250	3.4
Clatterbridge Centre for Oncology NHS Trust	[1]—	330	0.0
Liverpool Womens Hospital NHS Trust	80	730	11.0
Southport & Formby NHS Trust	10	1,210	0.8
St. Helens & Knowsley Community Health NHS Trust	[1]—	620	0.0
North Mersey Community NHS Trust	20	2,240	0.9
Walton Centre for Neurology/Neurosurgery NHS Trust	10	380	2.6
Burnley Health Care NHS Trust	[2]—	3,100	0.0
Lancaster Acute Hospitals NHS Trust	[1]—	1,540	0.0
Lancaster Priority Services NHS Trust	[2]—	1,170	0.0
Oldham	60	2,640	2.3
Wrightington Hospital NHS Trust	[1]—	420	0.0
Rochdale NHS Trust	[2]—	2,240	0.0
East Cheshire NHS Trust	20	1,990	1.0
Southport & Formby Community Health Services NHS Trust	[1]—	520	0.0
Warrington Community Health Care NHS Trust	[1]—	1,130	0.0
Countess of Chester Hospital NHS Trust	70	1,660	4.2
Halton General Hospital NHS Trust	20	730	2.7
Cheshire Community Healthcare NHS Trust	[1]—	630	0.0
Chorley and South Ribble NHS Trust	[2]—	1,520	0.0
West Lancashire NHS Trust	30	1,250	2.4
Calderstones NHS Trust	20	1,260	1.6
Wigan & Leigh Health Services NHS Trust	10	3,830	0.3
Warrington Hospital NHS Trust	240	1,810	13.3
West Cheshire NHS Trust	50	660	7.6
Wirral Community Health Care NHS Trust	20	1,130	1.8
South Manchester University Hospitals NHS Trust	[2]—	4,690	0.0
Salford Royal Hospitals NHS Trust	10	2,800	0.4
Trafford Healthcare NHS Trust	10	2,170	0.5

NHS hospital and community health services (HCHS) health care assistants and percentage of health care assistants within the total NHS HCHS workforce in North West regional office area by trust as at 30 September 1996

		Whole-time equivalents	
	HCAs	*Total HCHS workforce*	*Percentage of total HCHS workforce*
Mancunian Community Health NHS Trust	10	1,170	0.9
Furness Hospitals NHS Trust	[1]—	1,150	0.0
Greater Manchester Ambulance Service NHS Trust	[3]210	940	22.3
Blackburn Hyndburn & Ribble Valley Healthcare NHS Trust	10	2,560	0.4
Bolton Hospitals NHS Trust	90	2,730	3.3
Lancashire Ambulance Service NHS Trust	[1]—	630	0.0
Communicare NHS Trust	[2]—	930	0.0
Preston Acute Hospitals NHS Trust	110	2,790	3.9
Guild Community Health Care NHS Trust	[2]—	1,050	0.0
Mental Health Services of Salford NHS Trust	[1]—	1,370	0.0
Salford Community Health Care NHS Trust	[1]—	610	0.0
North Manchester Health Care NHS Trust	10	2,730	0.4
Blackpool Wyre & Fylde Community Health Services NHS Trust	[1]—	2,040	0.0
Community Healthcare Bolton NHS Trust	[2]—	640	0.0
Bury Health Care NHS Trust	[1]—	1,890	0.0
Tameside & Glossop Acute Services NHS Trust	[1]—	1,430	0.0
Tameside & Glossop Community/Priority Services NHS Trust	20	1,390	1.4
Blackpool Victoria Hospital NHS Trust	[2]—	2,360	0.0
Stockport Acute Services NHS Trust	40	1,770	2.3
Stockport Healthcare NHS Trust	60	1,860	3.2
Royal Liverpool & Broadgreen University Hospital NHS Trust	170	3,970	4.3
Manchester Childrens Hospitals NHS Trust	[2]—	1,230	0.0

[1] Denotes zero.
[2] Denotes less than five and greater than zero.
[3] The 210 HCAs for Greater Manchester Ambulance Service NHS Trust are Ambulance Care Assistants
Notes:
Figures are rounded to the nearest ten.
Percentages were calculated using the unrounded figures.
Source:
Department of Health medical and dental and non-medical workforce censuses 1996.

NHS Databases

Mr. Boswell: To ask the Secretary of State for Health what plans he has to introduce national standards for clinical and administration information held on NHS databases, and to encourage their operational interactivity. [39588]

Mr. Milburn *[holding answer 27 April 1998]:* The White Paper "The New NHS—Modern, Dependable" emphasises the importance the Government attach to ensuring that the right information is made available to clinicians to support direct patient care. It also states that performance against the wider goals of improving health and healthcare outcomes, the quality and effectiveness of service, efficiency and access will be judged by greater use of comparative information.

We accept that the development and introduction of national standards for clinical and administrative information is an essential element in meeting these information needs of the new National Health Service. We are making further investments to build on the progress already made in collaboration with the health professions in establishing national standards covering data items, codes, and Electronic Data Interchange messages. Targets have been set in the White Paper which depend on the availability of such national standards. The new information management and technology strategy for the NHS which will shortly be published by the Department will set out in greater detail the information targets to be met and the steps being taken to ensure their delivery. These steps will embrace both the further enhancement of the definitions of national information standards and the expansion of the use of the NHS electronic superhighway, NHSnet, to ensure that consistent quality information can be shared and made available at the right time and right place with appropriate safeguarding of patients' confidentiality and privacy.

SOCIAL SECURITY

Disability Living Allowance

Mr. Love: To ask the Secretary of State for Social Security what plans she has for greater use of home visits to supplement the information provided on self-assessment questionnaires for disability living allowance; and if she will make a statement. [35094]

Mr. Denham: Disability benefits, including Disability Living Allowance (DLA), are included in the Department's Comprehensive Spending Review, which was announced on 11 June last year. The review is an important step in our plan to modernise and improve the Social Security system, so that it helps people to work as far as they are able; provides appropriate support to those who cannot work; and makes the most effective use of the resources available.

No decisions have been taken to make greater use of home visits to supplement the information provided by new claimants for DLA. However, as part of the review, we are looking at ways of improving the claims process and we will take account of concerns expressed by the Disability Living Allowance Advisory Board, adjudication officers, disabled people and organisations which represent them.

Mr. Hancock: To ask the Secretary of State for Social Security what is the average waiting time for appeal hearings for people applying to claim disability living allowance in *(a)* Portsmouth and *(b)* Southampton; and what were the averages in each of the last three years. [35042]

Mr. Denham: The operation of the appeals system is a matter for the Independent Tribunal Service (ITS) who report that the information is not available in the format requested. Such information as is available from the ITS is set out in the table.

The national average clearance times for disability appeal tribunals as a whole in each of the last three financial years

Financial year	*Time (in weeks)*
1995–96	32
1996–97	33
1997–98	29

Notes:
1. Appeals relating to Disability Living Allowance are heard by Disability Appeal Tribunals (DATs).
2. Statistics do not differentiate between appeals to DATs concerning Disability Living Allowance and those concerning other benefits.
3. ITS does not maintain statistics which relate to individual DAT or other tribunal venues.

Benefit Take-up

Mr. Öpik: To ask the Secretary of State for Social Security what guidance the Government have issued to encourage full claiming of benefits; and if she will make a statement. [36103]

Mr. Denham: We would encourage anyone who thinks they may be entitled to a benefit to make a claim. The Benefits Agency produces a wide range of leaflets and posters to make people aware of the benefits available.

In particular, we are determined to get help to the million pensioners who do not claim the Income Support to which they are entitled. We have already commissioned research to find out why they do not claim, and from April we will be running pilot exercises in nine areas at a cost of £15 million to find the best ways of identifying these pensioners and encouraging them to claim their entitlement.

Social Security Budget

Mr. Denzil Davies: To ask the Secretary of State for Social Security if she will publish a breakdown of the individual items of expenditure making up the increase in the Social Security Central Total from the 1997–98 Estimate to the planned 1998–99 total as set out at Table B18 of the "Financial Statement and Budget Report." [35631]

Mr. Field: Detailed breakdowns of total expenditure figures in the Financial Statement and Budget Report are made available in the subsequent Social Security Departmental Report. This will be published in April 1998.

Habitual Residence Test

Dr. Lynne Jones: To ask the Secretary of State for Social Security for each year for which figures are available, how many applicants for income support have been refused because they have not passed the habitual residence test; and what proportion were granted benefit *(a)* on appeal and *(b)* after a further application within four months of the original. [35085]

Mr. Field: The information is not available in the format requested. Such information as is available is set out in the table.

Number of income support claims refused as a result of the habitual residence test

Year	*Number of claims*
April 1995-March 1996	19,767
April 1996-March 1997	13,338

Note:
In October 1996 income-based Jobseeker's Allowance (JSA(IB)) replaced Income Support as the main benefit for the unemployed. Over the period October 1996 to March 1997 5,902 JSA (IB)) claims were refused as a result of the habitual residence test.
Source:
Benefits Agency Management Information Statistics.

Housing Benefit Fraud

Mr. Love: To ask the Secretary of State for Social Security what was the cost to the housing benefit account of fraud in cases where more than one person has been prosecuted; what percentage that cost was of the overall loss through fraud over the last five years; and if she will make a statement. [35092]

Mr. Denham: The information is not available in the format requested. Such information as is available is set out in the table.

Great Britain	*1995–96*	*1996–97*
Number of cases where Housing Benefit/Council Tax Benefit fraud was established and weekly benefit savings claimed by local authorities (LAs)	160,000	190,000
Total number of cases referred for prosecution by LAs	1,700	1,400
Total number of successful prosecutions by LAs	700	600

Notes:
1. Prior to 1995–96 data was collected on a different basis and data prior to 1994–95 is not readily available.
2. Data collected from local authorities does not distinguish between prosecutions involving one person and those involving more than one person.
3. No data is collected centrally on the amount of fraud established in cases which are prosecuted by local authorities.
Source:
Administrative Returns 1995/96 and 1996/97

Pensioners (Benefits in Kind)

Mr. Webb: To ask the Secretary of State for Social Security what was the cost to the Exchequer in the most recent year for which figures are available of those benefits in kind which are taken up by pensioners on income support and which are not available to pensioners on incomes above income support levels. [34149]

Mr. Denham: The information requested is not available.

Pensioners receiving Income Support are entitled to free sight tests and dentistry, the full value of spectacle vouchers, free wigs and fabric supports and refund of necessary travel costs to hospital for NHS treatment through arrangements which are the responsibility of my right hon. Friend the Secretary of State for Health. The cost to the exchequer is not identified separately in respect of pensioners.

Children of pensioners receiving Income Support are entitled to free school meals, but no figures for the national costs of the scheme are held. Pensioners receiving Income Support may also be entitled to other benefits in kind administered by local authorities.

Child Care Tax Credit

Mr. Webb: To ask the Secretary of State for Social Security if the proposed child care tax credit will be treated as income for the purposes of assessing entitlement to housing benefit. [36025]

Mr. Field: The Child Care Tax Credit, as part of the Working Families Tax Credit, will be treated as income for Housing Benefit purposes. However, we will be increasing child care disregards in Housing Benefit to ensure that claimants receive the full value of the Child Care Tax Credit.

Lower Earnings Limit

Mr. Webb: To ask the Secretary of State for Social Security on what basis the proposed protection for those earning above the lower earnings limit but below the tax threshold will be provided. [36021]

Mr. Denham: I refer the hon. Member to the reply I gave to the hon. Member for Newbury (Mr. Rendel) on 20 March 1998, *Official Report*, column *775*.

Employer's National Insurance Contribution

Mr. Willetts: To ask the Secretary of State for Social Security what is her estimate of the cost in 1999–2000 of his Budget changes in employer's national insurance contributions to the public sector broken down between, (i) the NHS, (ii) schools, (iii) local authorities, (iv) higher education, (v) the armed forces and (vi) others. [36091]

Mr. Denham: The information is not available.

Widows' Benefits

Mr. Webb: To ask the Secretary of State for Social Security if she will list the main factors behind the decline in the number of people receiving widows' benefits between 1992–93 and 1998–99. [38942]

Mr. Denham: The main factors behind the decline in the number of people receiving Widows' Benefits are considered to be demographic trends and the 1988 reforms of the scheme. Social trends such as the growth of cohabitation and increased divorce also have a influence on this benefit.

Public Appointments

Jackie Ballard: To ask the Secretary of State for Social Security how many and what percentage of the (i) paid and (ii) unpaid appointments which she has made to non-departmental public bodies since 1 May 1997 were women. [39401]

Mr. Field: The information is set out in the table.

Name of non-departmental public body	*Number of paid appointments*		*Number of unpaid appointments*	
	M	*F*	*M*	*F*
Central Advisory Committee on War Pension	—	—	1	0
Disability Living Allowance Advisory Board	6	1	—	—
Industrial Injuries Advisory Council	2	0	—	—
Occupational Pensions Regulatory Authority	3	3	—	—
Social Security Advisory Committee	1	1	—	—
War Pensions Committees	—	—	53	13
Total	12	5	54	13

Since 1 May 1997, the Secretary of State has made a total of 17 paid appointments, of which 29 per cent. were women. There were 67 unpaid appointments made and 19 per cent. of these were women.

The ratio of War Pensioners to War Widows is reflected in the representation on War Pension Committee. The total percentage of female appointments on these committees is 22 per cent.

Focus Groups

Mr. Gibb: To ask the Secretary of State for Social Security, pursuant to her answer of 7 April 1998, *Official Report*, columns *223–24*, if she will publish *(a)* the brief given to each company in respect of the people to be interviewed, *(b)* the questions asked and *(c)* the results of each of the surveys listed. [39247]

Mr. Field *[holding answer 20 April 1998]:* Most of the research contracts in question were commissioned as part of the Department's Research Programme and relate to the development and evaluation of policy. These are:

Newchurch & Company—Child Support Agency customer and compliance research.

Market Opinion Research International—Attitudes towards welfare reform.

Social and Community Planning Research—On-going contract for qualitative research on welfare reform issues.

Market Opinion Research International—Attitudes to disability benefits.

Centre for Research in Social Policy, Loughborough University—Invalidity Benefit and the contributory principle.

British Market Research Bureau International—Attitudes towards housing benefits.

Institute for Employment Studies—People management in DSS Headquarters.

Social and Community Planning Research—Survey of women: development work.

Social and Community Planning Research—Preparation for Women's Juries.

Social and Community Planning Research—Work incentives and intermediaries.

Centre for Research in Social Policy, Loughborough University—Earnings Top Up staff panel.

Social and Community Planning Research—Take-up of income support amongst older citizens.

Alan Hedges—Preparation and retirement planning.

Alan Hedges—Behavioural response to the evidence requirements.

In accordance with the Open Government Code of Practice on Access to Government, the standard practice is that reports of such studies commissioned by the Department are published on completion unless they are covered by a specific exemption under that Code. All research reports include, as standard, information on the research remit (covering details of the sample and questions asked) and findings. These studies are running to different timetables, but we expect all to be published within the next year, except the work on Earnings Top Up, which is part of a longer-term study.

The remaining contracts were commissioned to develop and evaluate publicity campaigns or to inform other presentational issues. Reports of this sort of research are not usually published, but are made available on request. A report of each of these studies, discussing the remit and findings, will be placed in the Library once the decision-making process is completed and/or the relevant publicity campaign has started. We anticipate that this will be within the next 12 months for the specified contracts.

Written Answers to Questions

Thursday 30 April 1998

PRIME MINISTER

Millennium Compliance

Mrs. Gillan: To ask the Prime Minister, pursuant to his speech to the Midland Bank Conference on the Millennium, if he will list the members of the central team located in the Cabinet to work on the year 2000 problem; when this team will first meet; and what is its remit. [37474]

The Prime Minister *[holding answer 2 April 1998]:* I am setting up a new team in the Cabinet Office to support the Ministerial Group on the Millennium date change (MISC 4) and its public sector sub-group in co-ordinating the drive by Government across the public and the private sector to prepare for the Year 2000, with a particular focus on preventing damage to the national infrastructure. The team will manage the study into the risks the country faces in the run up to the Year 2000 which I announced in my speech to the Action 2000/Midland Bank conference on 30 March. It will liaise with Government departments across Whitehall to ensure that the action Ministers are taking in relation to their own departments and the other areas of the public sector for which they are responsible is properly co-ordinated and fits with Action 2000's work with the private sector. It will work with the Foreign and Commonwealth Office and other departments on our drive for action internationally. And it will co-ordinate the presentation of Government action.

Appointments to the Unit are now being made.

Mr. Malcolm Bruce: To ask the Prime Minister, pursuant to his article in *The Independent* newspaper of 30 March, if he will publish the analysis underlying his statement that the cost of dealing with the millennium computer problem across the public sector is up to £3 billion; and if he will make a statement. [38140]

The Prime Minister *[holding answer 7 April 1998]:* The figure of up to £3 billion for the cost of millennium compliance across the public sector was an estimate to indicate the possible scale of the problem which is faced by the sector. It took account of forecasts which have been made by independent experts and companies with experience of dealing with the costs of tackling this problem. Such forecasts have ranged from £1 billion to £3 billion. These forecasts are within a range because the actual costs of compliance are not easy to predict accurately in advance and historically have tended to be underestimated.

Mr. Malcolm Bruce: To ask the Prime Minister if it is his policy that the money to resolve the millennium computer problem across the public sector can be found from existing budgets; and if he will make a statement. [38139]

The Prime Minister *[holding answer 7 April 1998]:* The Government's policy remains that the cost of resolving the millennium computer problem across the public sector will be met from within existing funds. This will be closely monitored as part of the reporting arrangements which have been put in place.

Astra

Mr. Campbell-Savours: To ask the Prime Minister what information was made available to or from the DTI to or from Mr. Stephen Hatch in the course of the DTI inquiry into the affairs of Astra on commission payments for defence contracts paid to intermediaries [38550]

The Prime Minister: The Companies Act inspection into the affairs of Astra Holdings plc was concerned with the acquisition by Astra of a number of subsidiaries, and with accounting issues arising therefrom. It was not concerned with commission payments for defence contracts.

Mr. Campbell-Savours: To ask the Prime Minister (1) on what dates Mr. Stephen Kock met DTI officials to discuss matters relating to the supply of equipment to Iraq between 1985 and 1990; [38545]

(2) on what date the appointment of Mr. Stephen Kock to the Board of Astra was first discussed by DTI officials. [38547]

The Prime Minister: A search of the potentially most relevant sources of information held by DTI has produced no evidence to suggest either that Mr. Stephen Kock discussed matters relating to the supply of equipment to Iraq between 1985 and 1990 with DTI or that discussions were held within the DTI about his appointment to the board of Astra. Indeed, the appointment of individual directors to a private sector company is not an issue with which the DTI would normally concern itself.

Royal Commissions

Mr. Gordon Prentice: To ask the Prime Minister if he will list the last 10 ad hoc Royal Commissions, the time which elapsed between their establishment and the publication of their reports and, for each, the total cost. [39888]

The Prime Minister: The details of the last ten Royal Commissions are as follows:

Title	*Date established*	*Presented to Parliament*
Constitution	15 April 1969	October 1973
Civil Liability and Compensations for Personal Injury	19 March 1973	March 1978
Press	16 July 1974	July 1977
Standards of Conduct in Public Life	6 December 1974	July 1976
Gambling	24 February 1976	July 1978
National Health Service	19 May 1976	July 1979
Legal Services	20 July 1976	October 1979

Title	Date established	Presented to Parliament
Criminal Procedure	3 February 1978	January 1981
Criminal Justice	14 March 1991	July 1993
Long Term Care for the Elderly	17 December 1997	Due December 1998

Details of cost are not held centrally and could be obtained only at disproportionate cost.

UN (Drugs Special Session)

Mr. David Heath: To ask the Prime Minister if he plans to attend the United Nations General Assembly Special Session on Drugs on 8 to 10 June. [39945]

The Prime Minister: It has not yet been decided who will lead the United Kingdom Delegation to the UN General Assembly Special Session on Drugs.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Heathrow Airport

Kate Hoey: To ask the Secretary of State for the Environment, Transport and the Regions when the experimental scheme for planes landing at Heathrow Airport was introduced; if this scheme resulted in more planes flying over areas of South and South East London; and when the experiment is to be assessed. [39581]

Ms Glenda Jackson: The trial began on 4 September 1995 and the assessment is underway. The results should identify the areas affected and the associated noise impact. As indicated in Annex 5 of the preliminary consultation paper on Night Restriction at Heathrow, Gatwick and Stansted that we published on 27 February, the results should be available in time to take into account when drawing up proposals for the next night restrictions consultation paper. A copy of the preliminary paper was placed in the House Library. (Ref; *Official Report*, 27 February 1998, columns *403–04*).

Shipping

Sir Raymond Powell: To ask the Secretary of State for the Environment, Transport and the Regions when he intends to take action on the report submitted to him in March by the Shipping Working Group. [39849]

Ms Glenda Jackson: My right hon. Friend the Secretary of State is currently considering the recommendations of the Working Group.

Euratom

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions if he will place in the Library all reports submitted by the Government to the European Commission under Article 18 of Directive 92/3/EURATOM. [39942]

Angela Eagle: Article 18 of Directive 92/3 EURATOM requires Member States to submit reports every two years on the transboundary shipments of radioactive waste which they have authorised. The first such report was made in 1994 and the second in 1996. I am arranging for copies of these to be placed in the Library. The third report is being compiled and I shall place a copy in the Library once it has been lodged with the Commission.

Carbon Dioxide Emissions

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions what is the expected change in carbon dioxide emissions as a result of estimated gross domestic product growth in *(a)* 1998, *(b)* 1999 and *(c)* 2000. [40088]

Angela Eagle: We expect that gross domestic product will grow by around 2.25% per year between 1998 and 2000. As I said in my answer to the hon. Member on 27 April 1998, *Official Report*, column *6*, we estimate that the present relationship between gross domestic product growth and carbon dioxide emissions is such that every 1% increase in gross domestic product would increase emissions of carbon dioxide by around 0.5%, other things being equal. This approximate relationship may continue to apply to 2000. However, the trend in total UK emissions of carbon dioxide is likely to continue downwards over this period because the types of fuels used, the structure of the economy, and energy efficiency are also changing over time.

Radioactive Waste

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions for what reason the UK delegation to the 10 session of the negotiations for a UN ECE Commission for Europe Convention concerning public participation in environmental decision-making did not support a proposal to provide for public participation in transfrontier movements of radioactive waste. [39943]

Angela Eagle: The proposal would have added all transboundary and internal movements of hazardous and radioactive substances, including wastes, for which a specific permit is required under national law, to the list of those practices requiring formal public consultation. Consultation on every such movement would be impracticable. The relevant legislation and associated guidance provides a stringent system of checks which ensure the safety of radioactive waste during transit, radiological protection of the public and protection of the environment.

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions what statutory provisions govern the international shipment of radioactive waste; whether there is a requirement for a public register of applications or authorisations for such shipments; what records *(a)* he and *(b)* the Environment Agency keep of (i) applications and (ii) authorisations for such shipments; if he will place a copy of such records in the Library; and if he will make a statement. [39941]

Angela Eagle: The import and export of radioactive waste from the UK is governed by SI 1993 No. 3031, the Transfrontier Shipment of Radioactive Waste Regulations 1993. The Regulations provide for a system of authorisation and approval by competent authorities of the shipment of radioactive waste. There is no statutory requirement within the Regulations for the provision of a public register. The Environment Agency maintains records of applications, approvals and authorisations for

England and Wales, in the form prescribed by the Regulations, and I have arranged for copies of these to be placed in the Library. Arrangements for shipments of waste involving Scotland and Northern Ireland are dealt with by the Scottish Environment Protection Agency and the Department of the Environment in Northern Ireland respectively.

Private Finance Initiative

Mr. Waterson: To ask the Secretary of State for the Environment, Transport and the Regions how many, and which, United Kingdom local authorities have *(a)* promoted and *(b)* participated in schemes under the Private Finance Initiative in the last year. [39988]

Ms Armstrong: My Department's press release of 10 February, a copy of which is available in the House of Commons Library, lists 42 individual PFI schemes in England, promoted by 34 local authorities. Local authorities whose projects appear on this list can be confident that they will receive support for their contractual commitments. In Wales, so far no PFI schemes have been signed but the Welsh Office is treating six projects as pathfinders. 26 Scottish authorities have indicated to the Scottish Office an intention to apply for support towards PFI schemes.

SSSIs

Mr. Waterson: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the *(a)* number and *(b)* total area in hectares of sites of special scientific interest in (i) East Sussex and (ii) the United Kingdom. [39989]

Angela Eagle: The figures requested are as follows:

	Number of SSSIs (ASSI in Northern Ireland)	*Area in hectares*
East Sussex	64	18,543
United Kingdom	6,510	2,181,312

Rail Services

Mr. Livsey: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to ensure that the information services provided at railway stations are improved. [40105]

Ms Glenda Jackson: The Government are reviewing the regulation of the railway as part of our overall review of transport policy, and our proposals for the long-term reform of the railway will be published in our White Paper later in the year. In the interim, the Government have issued the Franchising Director with revised objectives, instructions and guidance which require him to secure a progressive improvement in the quality of passenger and station services and to manage existing franchise agreements in a manner which promotes passengers' interests.

The existing franchise agreements require operators to meet minimum station standards, which include the provision of communication and information systems within three years of taking over the franchise. Therefore these standards must be implemented during 1999 in respect of the first franchises to be awarded in 1996. Some operators are achieving higher standards than those specified within a shorter timescale.

Housing (Care Leavers)

Mr. Dawson: To ask the Secretary of State for the Environment, Transport and the Regions if he will amend the Housing Act 1996 Code of Guidance with respect to youth homelessness strategies to make specific reference to meeting the particular housing needs of care leavers. [40164]

Mr. Raynsford *[holding answer 29 April 1998]:* The revised Code of Guidance, which we hope to issue later in the year, will draw local authorities; particular attention to the considerations which they should bear in mind when assessing care leavers' housing needs.

Politically Restricted Posts

Mr. Drew: To ask the Secretary of State for the Environment, Transport and the Regions what proposals he has to review the Widdecombe definition of politically restricted posts. [39869]

Mr. Raynsford *[holding answer 29 April 1998]:* The Government are firmly committed to the principle of political impartiality among senior and other front line public servants. In our consultation paper, "Modernising Local Government—A new ethical framework", a copy of which was sent to all hon. Members on 7 April, we are inviting views on an approach we are proposing for designating posts as politically restricted, and in particular on the level of any salary threshold.

Local Government Pay

Mr. Hinchliffe: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on local authorities' responsibilities when implementing national pay review body awards for chief executive officers. [39979]

Mr. Raynsford *[holding answer 29 April 1998]:* Agreement was reached last year in the national negotiating body for chief executives on a new package of pay and conditions. The principal pay-related features of the package were a 2.5 per cent. pay rise from 1 July 1997; and local reviews in each local authority of the salary of their chief executive, to be completed by 1 April 1998 in the light of the new national pay structure and the accompanying national agreement on implementation. Any further pay rise stemming from the local review is to be paid from 1 January 1998.

Housing (Disabled Access)

Angela Smith: To ask the Secretary of State for the Environment, Transport and the Regions (1) what plans he has to reduce waiting times for local authority disability facilities grants; [40334]

(2) what was the average waiting time for a disabled facilities grant for *(a)* all applications, *(b)* council tenant applications, *(c)* housing association tenant applications, *(d)* private tenant applications and *(e)* owner occupier applications in the last year for which figures are available. [40335]

Mr. Raynsford: Information on the average waiting times for disabled facilities grants is not collected by the Department. Local authorities already have a statutory duty under section 34 of the Housing Grants, Construction and Regeneration Act 1996 to notify the applicant within six months of the date of application whether the application is approved or refused. We have no plans to change this.

Genetically Modified Organisms

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions how many applications to release GMOs into the environment have been considered in each year since 1990; for each year how many have been *(a)* approved and *(b)* refused; and how many are outstanding. [40321]

Angela Eagle: Following the introduction of our regulations in March 1993, a total of 152 applications have been considered. These breakdown per year as:

Year	*Applications approved*	*Applications refused*	*Applications outstanding*
1993	15	0	0
1994	24	0	0
1995	40	0	0
1996	28	0	0
1997	25	0	0
1998	14	0	0

Whilst no consents have been refused, in many cases applicants have been required to significantly amend their applications to provide further information to enable a decision to be made. Also, some consents would have been refused unless the applicant had agreed to implement the strict risk management procedures recommended by the Advisory Committee on Releases to the Environment.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what level of quantifiable risk must be reached before permission to release a GMO into the environment is refused. [40323]

Angela Eagle: The Department's approach to risk assessment for GMO releases is set out in Chapter 4 of "The Regulation and Control of the Deliberate Release of Genetically Modified Organisms" and this is consistent with the approach published in "A Guide to Risk Assessment and Risk Management for Environmental Protection". These have been placed in the House of Commons library.

In all cases we obtain expert advice from the Advisory Committee on Releases to the Environment (ACRE).

Greater London Authority

Sir Norman Fowler: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the financial effect of the establishment of the Greater London Authority on revenue support grant levels for other regions; and if he will make a statement. [40365]

Ms Armstrong: As we said in our White Paper "A Mayor and Assembly for London" (Cm 3897), we have carefully considered how the costs of the Mayor, Assembly and new central service of the Greater London Authority should be paid for, and have decided to meet most of the costs ourselves through grant. We have no plans to cut support to other parts of the country to pay for the Authority.

Urban Foxes

Dr. Gibson: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of *(a)* the measures required to control urban foxes and *(b)* the effects of releasing urban foxes into the countryside. [39112]

Angela Eagle: A recent decline in reported sightings suggests that the number of urban foxes has fallen in some cities, and a study in 1987 showed that urban foxes tend to be self-regulating. Furthermore, although foxes could in theory transmit certain infections to man, such a toxocariasis, hydatid disease or pasteurellosis, from the limited data available foxes have not been implicated in any cases of these diseases among humans. It is not therefore thought necessary to consider measures to control them.

It is not in general an offence to move wild animals around the country, and relocation of native foxes is not prohibited by our conservation legislation. Reports of large-scale releases of foxes into the countryside have not been substantiated.

Personal Water Craft

Mr. Gareth Thomas: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will make a statement on the outcome of the inter-departmental review of coastal safety, with particular reference to the use of personal water craft; [40318]

(2) if he will make a statement on progress made by his Department in encouraging more responsible use of personal water craft. [40319]

Ms Glenda Jackson: Consideration is currently being given to the results of consultation on the ways in which safety of non-regulated pleasure vessels can be improved, which incorporates input from both the Environment and Transport points of view. A decision on the way forward will be made in the next few months.

Driver and Vehicle Licensing Agency

Mr. Reed: To ask the Secretary of State for the Environment, Transport and the Regions what targets he has set for the Driver and Vehicle Licensing Agency, the Vehicle Inspectorate and the Vehicle Certification Agency. [40786]

Dr. Strang: The key targets have been set for the agencies. They are included in the agencies' business plans, which include management objectives, performance indicators and key tasks, where appropriate to the agencies' business. Copies of the business plans will be placed in the Library in due course.

The key targets for the Driver and Vehicle Licensing Agency are to:

- make an efficiency gain (on the basis of an overall efficiency index) of 2.5 per cent;
- to recover, through penalties and duty from licensing, at least £2.90 for every £1.00 full cost spent by DVLA on vehicle excise duty enforcement;
- deliver 95 per cent. of ordinary driving licences to customers within 10 working days, 95 per cent. of vocational driving licences within 9 working days, and 95 per cent of first provisional driving licences within 9 working days;
- deliver 95 per cent. of registration documents for new vehicles within 12 days, and 95 per cent. of changes to vehicle registration documents within 13 days;
- deliver answers to 96 per cent. of written inquiries within 8 working days, and to answer 92 per cent. of telephone inquiries within 30 seconds;
- ensure that at least 98 per cent. of driving licences, 98 per cent. of registration documents for new vehicles, and 97 per cent. of changes to registration documents, are issued without a DVLA induced error.

The key targets for the Vehicle Inspectorate are to:

- meet the requirements on levels and types of activity laid down in the Memorandum of Agreement on each Road Enforcement Transport Scheme;
- meet the quality and general effectiveness levels as specified in the Business Plan measures;
- improve customer service by extending the range of structured interviews and surveys, acting on the results and devising satisfaction indices;
- achieve an efficiency target (on the basis of an Aggregated Cost Efficiency Index) of 0 per cent;
- break even while achieving an average 6 per cent. rate of return on capital, over the period 1 April 1998 to 31 March 2003;
- improve staff awareness and satisfaction as measured through the annual survey;
- secure the long term development of the organisation, in the context of the DVO Review, through the implementation of an Information Systems Strategy and progression of the MOT Computerisation Project.

The key targets for the Vehicle Certification Agency are to:

- achieve break-even or better on the commercial accounts whilst achieving at least a 6 per cent. rate of return on capital employed;
- ensure that at least 98 per cent. of approval certificates are issued error free;
- ensure that at least 98 per cent. of invoices are issued error free;
- audit at least 50 per cent. of VCA's approved type-approval, and 100 per cent. of the management system certification, procedures with all major non-compliances found having corrective action plans agreed within 30 working days at the most, with those plans being completed within the specified time.

Water Prices

Mr. Shaw: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement about progress towards the setting of price limits for water companies from 1 April 2000. [40790]

Mr. Prescott: The Director General of Water Services has sent an open letter and accompanying paper "Setting the Quality Framework" to me and my right hon. Friend, the Secretary of State for Wales, on 30 April, seeking guidance on the quality obligations to be placed on water companies in the period 2000 to 2005. Copies of the Director General's letter and accompanying paper have been placed in the Library of the House.

We expect also to receive advice on this issue from the Environment Agency in mid-May, which we shall take into account in formulating the guidance to the Director General. The advice will, similarly, be placed in the Library of the House.

My Department will issue a consultation letter on 1 May, seeking the views of all those who have an interest in or involvement with the water industry on the issues raised in the Director General's letter and accompanying paper, and inviting the submission of reasoned arguments over the appropriate level of obligations to place on water companies, to be funded from customers' bills. We are keen to strike the right balance between investment to deliver desirable environmental and quality improvement and the level of water bills.

At this stage in the periodic review, costings have not been finalised. Further work will be needed to refine this information. There also remain uncertainties in relation both to the precise nature of some of the EU obligations that water companies will have to meet, as well as to the costings of possible obligations. Against that background, however, we shall seek to give guidance in the summer which is as clear as possible when responding to the Director General. We should welcome views on the issues raised in the Director General's letter and paper, which we shall take into account in providing guidance.

A copy of the Department's consultation letter, which will seek comments by Friday 12 June, will be placed in the Library of the House.

LORD CHANCELLOR'S DEPARTMENT

Magistrates Courts

Mr. Bob Russell: To ask the Parliamentary Secretary, Lord Chancellor's Department how many appeals against closures of magistrates' courts were made in *(a)* 1992, *(b)* 1993, *(c)* 1994, *(d)* 1995, *(e)* 1996 and *(f)* the first four months of 1997; and how many were (i) upheld and (ii) rejected. [39684]

Mr. Hoon: The number of appeals against the closure of magistrates courts made between 1992 and April 1997 were: *(a)* 1992, 10; *(b)* 1993, 12; *(c)* 1994, 3; *(d)* 1995, 2; *(e)* 1996, 11 and *(f)* in the first four months of 1997, 4. In 1992, 2 appeals were upheld. All other appeals were dismissed.

Mr. Bob Russell: To ask the Parliamentary Secretary, Lord Chancellor's Department how many appeals against closures of magistrates' courts have been lodged since 1 May 1997; and how many *(a)* were upheld, *(b)* were rejected and *(c)* have still to be determined. [39685]

Mr. Hoon: Since 1 May 1997, 16 appeals against the closure of magistrates courts have been lodged.

In the same period, 2 appeals were upheld and 17 were rejected. There are 6 appeals pending. (These figures include appeals outstanding at 1 May 1997).

Fines Revenue

Mr. Malcolm Bruce: To ask the Parliamentary Secretary, Lord Chancellor's Department what was the total amount of revenue raised from all forms of fines in *(a)* 1993–94, *(b)* 1994–95, *(c)* 1995–96, *(d)* 1996–97 and *(e)* 1997–98; what estimate he has made of revenue in 1998–99; and if he will make a statement. [40222]

Mr. Hoon: The figures requested are shown in the table. There is no estimate available for 1998–99.

£ million

Year	*Revenue raised*
1993–94	228.0
1994–95	219.8
1995–96	216.0
1996–97	224.2
1997–98	173.6

[1] Covers the period 1 April 1997 to 31 December 1997

INTERNATIONAL DEVELOPMENT

Intellectual Property

Sir Alastair Goodlad: To ask the Secretary of State for International Development what representations she has made to the WTO about the forthcoming review of the Agreement on Trade Related Aspects of Intellectual Property; and if she will make a statement. [40151]

Clare Short: The WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs) is overseen by the TRIPs Council which meets on a regular basis and comprises all WTO members. The TRIPs Agreement requires the Council to review the provisions of Article 27(3(b) of the Agreement concerning the exclusion from patentability of plants and animals in 1999, and the implementation of the Agreement as a whole after 2000. The UK Government will take full part in discussions alongside developing countries in the Council before and throughout the reviews. The TRIPs Council operates by consensus and therefore will need to take into account the views and interests of all members.

Bananas

Sir Alastair Goodlad: To ask the Secretary of State for International Development what recent representations she has made to the European Commissions about the findings of the WTO Appellate Body on the EU banana regime; and if she will make a statement. [40157]

Clare Short: The Government have been keeping in close touch with the European Commission since the WTO Appellate Body published its findings on the EU banana regime last Autumn. The Commission made proposals earlier this year for changes to the banana regime, to bring it into line with the WTO ruling, and for the new assistance framework for traditional producers in African, Caribbean and Pacific (ACP) countries.

Negotiations on these proposals are now well advanced in Brussels. As the leading advocate of the developing countries in the Caribbean who have traditionally supplied bananas to the UK, the Government have made it a priority of its current Presidency of the EU to reach agreement.

Biotechnology

Sir Alastair Goodlad: To ask the Secretary of State for International Development what has been the outcome of her discussions with the Patent Office about the proposed EC Directive concerning the protection of biotechnological inventions and the potential implications for developing countries. [40152]

Clare Short: The proposed EC Directive on the Legal Protection of Biotechnological Inventions is currently being considered by the European Parliament, following adoption of a Common Position by the Council of Ministers in February 1998. The Directive addresses which biotechnological inventions can be patented in Europe and does not affect national patent laws. When agreeing to support this Common Position, the UK set down a statement which noted that there had been no consideration as to whether the provisions of the Directive would be appropriate for other countries outside the European Union, in particular developing countries.

In its statement the UK also considered that in preparing its annual report on the development implications of patent law in the field of biotechnology and genetic engineering [under Article 16.3 of the proposal] the Commission should consider the breadth of patent rights, the effects of patents on research and, in accordance with Article 130v of the Treaty of Maastricht, take account of the implications for developing countries.

Generalised System of Preferences

Sir Alastair Goodlad: To ask the Secretary of State for International Development what representations she has made to the Generalised System of Preferences Working Group about the proposed regulation; and if she will make a statement. [40149]

Clare Short: Two key regulations have been discussed and agreed within the Generalised System of Preferences Working Group during the UK Presidency. These are the Regulation on Least Developed Countries (LDCs) and the Regulation on Special Incentives. UK policy on both of these is set out in the Government's White Paper on International Development published in November 1997. DFID has worked closely with DTI—which is the lead Department in formulating and implementing the Government's policy.

The proposed Regulation on LDCs was agreed by the Council in March this year. This requires the EU to extend market access terms, similar to those available under the Lomé Convention, to the nine non-ACP LDCs and to apply these retrospectively from 1 January 1998. We therefore welcome this Regulation which we see as an important first step towards our long-term goal of duty-free market access to the EU market for all LDCs and for the eventual agreement to eliminate tariffs on LDC products within a bound WTO scheme.

The proposed Regulation on Special Incentives provides for additional trade preferences to be granted to developing countries that meet certain labour and environmental standards. The Government attach considerable importance to these proposals as a mechanism for signalling to the developing world that our

concerns about raising standards are not driven by protectionist motives. The GSP Working Group has concluded its deliberations on the proposal which will be submitted to the Council in May. The Group will soon be considering how technical assistance can be offered to those developing countries who wish to access the scheme but who lack the capacity to meet the required standards.

Trade Barriers

Sir Alastair Goodlad: To ask the Secretary of State for International Development what recent discussions she has had with (i) the Department of Trade and Industry (ii) the WTO and (iii) multilateral and bilateral aid donors about ways to achieve further reductions in trade barriers faced by LDCs; and if she will make a statement. [40150]

Clare Short: UK policy towards elimination of barriers to trade for Least Developed Countries is set out in the Government's White Paper on International Development published in November 1997. The UK has taken a lead within Europe and internationally (including through the G8) in pushing for the elimination of tariffs on imports from the least developed countries (LDCs) and for eventual agreement to eliminate tariffs within a bound WTO scheme. A number of member states made commitments to extend their market access for LDCs at the WTO hosted High Level Meeting for LDCs in October last year. Progress will be reviewed at the WTO Ministerial in May this year.

Under the UK Presidency agreement has been reached within the EU to extend market access to the imports of the nine non-ACP LDCs on terms similar to those available under the Lomé Convention. The UK see this as a first step and will continue to press for duty-free access to the EU market for all Least Developed Countries. In addition the UK recognises that complex rules of origin can act as a constraint on taking up preferential access. The UK is therefore pressing for an EU commitment to simplify and harmonise the EU preferential origin rules.

Development Co-operation

Sir Alastair Goodlad: To ask the Secretary of State for International Development what representations she has made to the (i) WTO, (ii) UNCTAD, (iii) ITC, (iv) IMF, (v) World Bank and (vi) UNDP about the implementation of the Integrated Framework for the co-ordination and delivery of trade-related development co-operation; and if she will make a statement. [40154]

Clare Short: The Integrated Framework was discussed in the WTO hosted High Level Meeting in October 1997. The Integrated Framework seeks to enhance the effectiveness of trade-related technical assistance in order to promote the integration of Least Developed Countries into the multilateral trading system.

This Government have consistently supported discussion of the Integrated Framework in the senior bodies of the WTO, IMF, UNCTAD, ITC, World Bank and UNDP. Each of these bodies has indicated their support for the Framework and agreed to co-ordinate their efforts in this area. Further, the agencies have agreed to set up an Inter-Agency Working Group and an Administrative Unit to be housed at ITC.

I believe that good progress had been made on setting up the machinery to operationalise the Integrated Framework and over the coming months, my Department will be working to ensure this is used to design and implement effective country-level programmes.

Development Council

Mr. Matthew Taylor: To ask the Secretary of State for International Development if she will raise the issue of the environmental record of the Commission's funded programmes in developing countries at the Development Council meeting in May. [40353]

Clare Short: My Department continues to work closely with the Commission to promote the full integration of environmental considerations into EC programmes and projects. One of our Presidency priorities is to seek to improve the effectiveness of the EC's development programmes. I will not, however, be raising this issue at the Development Council in May.

Mr. Matthew Taylor: To ask the Secretary of State for International Development what issues are on the agenda for the Development Council meeting in May. [40347]

Clare Short: The agenda is still under discussion. However, the main items are likely to be:

(a) The EU's Negotiating Mandate for the successor to the Lomé Convention.

(b) Conclusions on follow-up to the 1993 Poverty Resolution.

(c) Conclusions on follow-up to the 1995 Gender Resolution.

(d) Progress Report and Exchange of views on the Evaluation of European Union Development Aid.

(e) Commission Presentation on Indigenous People.

(f) Commission Presentation on Humanitarian Aid.

NORTHERN IRELAND

Organophosphates

Mr. Tyler: To ask the Secretary of State for Northern Ireland what steps she proposes to take in response to the conclusions and recommendations of the report of the Agriculture and Fisheries Committee of the Northern Ireland Forum on Organophosphate Insecticides-their use by the farming community; and if she will make a statement. [39654]

Mr. Paul Murphy *[holding answer 27 April 1998]:* The Forum's report will be considered in the light of the findings of the High Level Officials' Group on Organophosphates. The establishment of that Group was announced in another place by my noble friend, Lord Donoughue, on 13 January 1998. Those findings will be published when Ministers have fully considered them.

Public Appointments

Jackie Ballard: To ask the Secretary of State for Northern Ireland how many and what percentage of the (i) paid and (ii) unpaid appointments which she has made to non-departmental public bodies since 1 May 1997 were women. [39395]

Mr. Paul Murphy *[holding answer 29 April 1998]:* The following appointments have been made to non-departmental public bodies since 1 May 1997:

	Total	*Female appointments*	*Percentage*
Paid appointments	222	87	39
Unpaid appointments	461	138	30

The Government are committed to increasing the representation of women in public life. In support of this, an action plan is being drawn up in NI for increasing the number of women and ethnic minorities holding public appointments.

Construction Service

Mr. Fitzpatrick: To ask the Secretary of State for Northern Ireland what performance targets have been set for the Construction Service in 1998–99. [40730]

Marjorie Mowlam: For the 1998–99, the following performance targets have been set for Construction Service.

Quality of Service

1. To achieve a 90 per cent. compliance in customer assessment of Agency performance against Service Level Agreements.
2. To obtain a 90 per cent. positive response in customer assessments on project work.
3. To place 80 per cent. of orders in response to requests for maintenance work within 7 days.
4. To place 75 per cent. of order in response to requests for supplies work within 7 days.
5. To respond to 85 per cent. of customer advisory inquiries within 6 weeks.

Efficiency

6. To achieve 3 per cent. efficiency gains on running cost expenditure.
7. To ensure that actual costs as a percentage of agreed target costs on project work do not exceed the agreed percentage.
8. To ensure that staff costs as a percentage of construction spend for maintenance work do not exceed the agreed percentage.
9. To ensure that staff costs as a percentage of construction spend for supplies work do not exceed the agreed percentage.

Financial Performance

10. To maintain expenditure within cash limits and to approved budgetary plans.
11. To recover the full cost of Agency operations from customers.

Social Security Agency

Mr. Fitzpatrick: To ask the Secretary of State for Northern Ireland what performance targets have been set for the Social Security Agency for the current financial year. [40731]

Mr. Worthington: The targets are in line with the objective of improving the service provided to customers and fully support the Active Modern Service principles laid down for public services. I am satisfied that the targets represent a demanding challenge for the Agency. The targets will be included in the Agency's 1998–99 Strategic and Business Plan, which is due for publication this month. A copy of the Plan will be placed in the library. The targets are as follows:

1. Benefit Accuracy

Disability Living Allowance
to pay the correct amount in at least 85% of cases.

Family Credit
to pay the correct amount in at least 94% of cases.

Incapacity Benefit
to pay the correct amount in at least 98% of cases.

Income Support
to pay the correct amount in at least 87% of cases.

Jobseeker's Allowance
to pay the correct amount in at least 87% of cases.

2. Customer Satisfaction[1]
of customers to regard the Agency's service as satisfactory or better.

3. Financial Recovery
recovery of overpayments—£2.9 million.

benefit savings from detection and prevention of fraud—£14.4 million.

sign-offs as a result of anti-activity—4,600.

Class I contributions identified as underpaid to the National Insurance Fund—£1.70 million.

Collection of Contributions owing to the National Insurance Fund—£2.05 million.

4. Resource Management
to achieve cash efficiency savings of the order of £3.3 million.

[1] The customer satisfaction target is presently measured by independent survey and usually covers a two year period, in this case 1997–98 and 1998–99. It will be measured again early in 1999.

Rate Collection Agency

Mr. Canavan: To ask the Secretary of State for Northern Ireland when she intends to carry out a market test of the functions of the Rate Collection Agency. [40732]

Marjorie Mowlam: The Government have decided to defer plans to market test the functions of the Rate Collection Agency until the next quinquennial review of the agency which is planned for 1999.

This will allow time to assess the potential impact on the work of the agency of the current review of charging arrangements for water and sewerage services. Ratepayers currently contribute to the cost of these services through the Regional Rate.

The Agency's Framework Document will be amended to reflect the position.

Students (Tuition Fees)

Mr. Welsh: To ask the Secretary of State for Northern Ireland what decision she has taken on whether to provide funds for the payment of fourth year tuition fees for eligible Northern Irish students at Scottish universities; and if she will make a statement. [40257]

Mr. Worthington: Northern Ireland students will not receive public support for fees in the fourth year of Scottish 4-year degrees where similar degree courses in Northern Ireland, England and Wales are of 3 years' duration.

HOME DEPARTMENT

CS Gas

Mr. Llwyd: To ask the Secretary of State for the Home Department how many complaints have been received to date against the use of CS gas by the police force. [38523]

Mr. Michael: During police trials of CS sprays between 1 March and 31 August 1996, in which about 4,000 officers carried CS spray canisters, 45 complaints were made to police forces. During the 12 months up to 31 March 1997 (the most recent period for which figures are available) the police referred 28 complaints to the Police Complaints Authority (PCA) of which 19 resulted in investigations supervised by the Authority. Five complaints were withdrawn, eight were unsubstantiated, three are under or are awaiting disciplinary review, one is subject to criminal proceedings against an officer for assault (the complaint about the use of CS is a secondary issue in this case), and in another case an officer was found not guilty of abuse of authority. One complaint is still under investigation and the PCA granted the police dispensations from the requirement to investigate the remaining nine cases. This is allowed by the Police (Dispensation From Requirement to Investigate Complaints) Regulations 1985 where it is not reasonably practicable to conduct an investigation or the complaint is vexatious, repetitious or otherwise an abuse of the complaints procedures.

The PCA estimates that in the twelve months up to 31 March 1998 there were about 250 complaints to police forces referring to CS spray.

Asylum Seekers

Mr. Waterson: To ask the Secretary of State for the Home Department what steps are being taken by the Government during their presidency of the EU to promote discussion on problems caused by the flow of asylum seekers through the EU; and if he will make a statement. [39984]

Mr. Mike O'Brien: The United Kingdom Presidency is promoting discussion in the European Union of a wide range of issues relating to asylum seekers. In particular, under the Presidency, member states have adopted a comprehensive Action Plan on the influx of migrants from Iraq and the neighbouring region. Under this Action Plan, the Presidency is taking forward a number of measures aimed at ensuring that those in genuine need of protection receive it and to prevent abuse of asylum procedures in the European Union.

In addition, the Presidency is seeking to secure agreement on a programme of action designed to improve the operation of the Dublin Convention. This Convention governs arrangements for determining which member state should be responsible for examining asylum claims made in the European Union.

Ms Drown: To ask the Secretary of State for the Home Department if he will list the criteria used by an immigration officer to decide if an interview with an unaccompanied child seeking asylum is unavoidable. [39847]

Mr. Mike O'Brien: A child will not be interviewed about the substance of his claim to refugee status if it is possible to obtain, by written inquiries or from other sources, sufficient information properly to determine the claim. In the vast majority of cases, the required information is obtained without an interview. In those rare cases where an interview is deemed necessary it will be conducted only in the presence of an independent adult, and by an immigration officer who has received specialist training.

Ms Drown: To ask the Secretary of State for the Home Department what procedures must be followed by an immigration officer when an unaccompanied child arrives at a port of entry seeking asylum. [39858]

Mr. Mike O'Brien: When an unaccompanied child arrives at the immigration control a brief interview is undertaken to establish age, the basis upon which entry is sought, and whether anyone has accompanied the child on the journey or is meeting him/her. If the child is an asylum seeker the Refugee Council's Panel of Advisers for Refugee Children is notified without delay, and the child is issued with a self-completion asylum questionnaire. Temporary admission is normally granted, and if the child has nobody to turn to in the United Kingdom, the social services are contacted. It is not the practice of the Immigration Service to detain a child for longer than absolutely necessary before passing the child to the responsible adult or social services.

Homosexual Offences

Ms Stuart: To ask the Secretary of State for the Home Department how many *(a)* prosecutions and *(b)* convictions there have been in each of the last three years of 16 to 18 year old men for offences involving consenting homosexual acts. [39987]

Mr. Michael: Information for 1994 to 1996 (latest available) is given in the table. It does not include offences such as male rape or indecent assault on a male. It should be noted that section 145 of the Criminal Justice and Public Order Act 1994 (which came into force in November 1994) amended section 12 of the Sexual Offences Act 1967—by lowering from 21 to 18 the age at which men may lawfully perform consenting homosexual acts in private.

Number of males cautioned, prosecuted and convicted[1] for specific homosexual offences by age, 1994–1996
England and Wales

Year/offence	*Aged 16*	*Aged 17*	*Aged 18*
1994			
Buggery offences			
Cautioned	5	3	1
Prosecuted	9	13	5
Convicted	4	6	5
Indecency between males			
Cautioned	3	5	3
Prosecuted	1	3	3
Convicted	1	2	3
1995			
Buggery offences			
Cautioned	1	—	—
Prosecuted	3	3	6
Convicted	—	5	3

Number of males cautioned, prosecuted and convicted[1] for specific homosexual offences by age, 1994–1996
England and Wales

Year/offence	*Aged 16*	*Aged 17*	*Aged 18*
Indecency between males			
Cautioned	1	1	2
Prosecuted	—	4	4
Convicted	—	2	1
1996			
Buggery offences			
Cautioned	3	1	—
Prosecuted	4	—	2
Convicted	1	—	1
Indecency between males			
Cautioned	2	5	1
Prosecuted	—	—	1
Convicted	—	—	1

[1] Includes persons proceeded against in earlier years or for other offences.

Racial Incidents

Dr. Kumar: To ask the Secretary of State for the Home Department what plans he has to change the method of recording racial incidents in order to record more accurately *(a)* the nature of incident, *(b)* the local distribution and *(c)* the ethnic origin of the victim or the offender. [39958]

Mr. Michael: At present, individual forces submit their racial incidents figures to Her Majesty's Inspectorate of Constabulary at the end of each financial year on the basis of the Association of Chief Police Officers definition of a racial incident:

"Any incident in which it appears to the reporting or investigating officer that the complaint involves an element of racial motivation, or any incident which includes an allegation of racial motivation made by any person".

The figures are not broken down into the nature of the incidents, the local distribution or the ethnic origin of the victim or offender. However, some forces hold such information locally.

The Association of Chief Police Officers have recently published a Good Practice Guide for the Police Response to Racial Incidents which advises police forces that it is essential to keep an accurate record of the number and types of racial incidents that are reported to ensure that management information is available to inform resource deployment and to monitor trends. It also advises that information should be shared with other local partnership agencies.

The Home Office will, however, look at the way in which the racial incidents figures are submitted centrally and will consider ways for improving the recording of information in consultation with the police.

Intrusive Surveillance

Mr. Allan: To ask the Secretary of State for the Home Department when he plans to publish the revised Code of Practice on Intrusive Surveillance; and if he will make a statement. [40077]

Mr. Michael: We intend to lay the draft code of practice on intrusive surveillance before Parliament during the Summer. Detailed work is continuing on a number of fronts in relation to Part III of the Police Act 1997 with a view to implementing the provisions as quickly as possible.

Crime Statistics

Mr. Allan: To ask the Secretary of State for the Home Department what percentage of the *(a)* male and *(b)* female population (i) under 30 and (ii) over 30 years of age has committed at least one (1) minor criminal offence and (2) serious criminal offence. [40026]

Mr. Michael: The information that is available centrally on the prevalence of offending relates solely to convictions for standard list offences. These include all indictable offences and some of the more serious summary offences (a complete list can be found in Appendices 4 and 5 of Criminal Statistics England and Wales, 1996, Cm 3764). There is no standard definition for seriousness among these offences.

Information on prevalence of offending is contained in "Criminal careers of those born between 1953 and 1973" (Home Office Statistical Bulletin 14/95). It is estimated that among males born in 1953, 31 per cent. had been convicted of a standard list offence by the age of 30, and 34 per cent. before the age of 40. Comparable figures for females were 7 per cent. and 8 per cent. No figures are available for age 40 and over.

Mr. Allan: To ask the Secretary of State for the Home Department how many convictions there were for *(a)* violent crime, *(b)* car crime, *(c)* serious crime and *(d)* in total, in each year since 1988 for which figures are available. [40021]

Mr. Michael: The information is given in the table.

Number of offenders convicted, at all courts, for certain crimes 1988–1996
England and Wales

000s

	Offence description			
Year	*Violent crime*[1]	*Car crime*[2]	*Serious crime*[3]	*Total crime*[4]
1988	65.5	32.7	[5]396.7	[5]1,604.9
1989	70.9	29.8	[5]348.8	[5]1,583.5
1990	69.2	30.3	[5]352.1	[5]1,562.7
1991	63.6	30.5	[5]346.8	[5]1,519.9
1992	61.6	24.9	[5]330.1	[5]1,528.4
1993	57.3	22.1	307.6	1,425.3
1994	58.4	21.6	314.1	[5]1,424.6
1995	57.5	20.1	302.2	[5]1,429.7
1996	59.7	20.1	300.6	[5]1,440.8

[1] Includes the indictable offence groups of violence against the person, sexual offences and robbery and the summary offences of common assault.
[2] Includes the indictable offences of theft from a vehicle, theft or unauthorised taking of a motor vehicle, aggravated vehicle taking and the summary offences of stealing and unauthorised taking of a conveyance and aggravated vehicle taking.
[3] Taken as all indictable offences.
[4] Taken as all indictable, summary non motoring and summary motoring offences.
[5] Includes allowance for known shortfalls in the data. It is not possible to produce estimates for the more detailed offence categories.

Victims of Crime

Mr. Allan: To ask the Secretary of State for the Home Department what estimate he has made of the percentage of young people who have been victims of crime; and if he will make a statement. [40023]

Mr. Michael: While it is difficult to make a dependable estimate of the overall percentage of young people who have been victims of crime, a good deal of information is available from the 1992 British Crime Survey (BCS), the 1993 Youth Lifestyle Survey (YLS), and from a special data collection exercise on violent crime recorded by the police.

According to the 1992 BCS, 60 per cent. of 12 to 15 year olds had experienced a theft, non-family assault and/or harassment in the six to eight months prior to the survey. Most of these incidents were not judged to be crimes by the victim: 18 per cent. had experienced something they regarded as a crime. The full findings are published in Home Office Research Study 140 'Young people, victimisation and the police: British Crime Survey findings on experiences and attitudes of 12 to 15 year olds', available in the Library.

The 1993 YLS found that 51 per cent. of young people aged 14 to 25 had experienced one incident or more of vandalism, theft, violence or threats in the 12 months preceding the survey. 29 per cent. had experienced theft, 23 per cent. vandalism, 17 per cent. violence and 13 per cent. threats. The YLS will be conducted again later this year, providing up to date findings on the victimisation of young people.

Information on the age of victims of crimes recorded by the police is not collected routinely by the Home Office. However, an ad hoc survey on violent crime shows the rates of recorded offences per 100,000 population by age and sex of victims for each of the violent crime offence categories (see table below). This information is published in Home Office Statistical Findings 1/96 'Victims of Violent Crime Recorded by the Police 1990–94', available in the Library.

Victimisation rates by offence, average 1990–94
Rates per 100,000 population[2]

	Violence against the person			*Indecent assault*[1]		*Robbery and theft from the person*	
	Rape						
	Male	*Female*	*Female*	*Male*	*Female*	*Male*	*Female*
Age of victim							
0–9	94	62	6	25	94	8	2
10–15	704	373	59	66	327	331	54
16–24	1,234	704	58	11	130	305	116
25–39	634	463	21	3	37	168	93
40–59	273	153	5	1	10	109	66
60 and over	64	26	1	0	2	44	81
Total	477	271	18	7	63	144	67
Coverage of recorded offences	(50%)		(72%)		(64%)		(55%)

[1] Including buggery offences
[2] Represents the number of victimisations per 100,000 population in each respective age group

Recidivism

Mr. Allan: To ask the Secretary of State for the Home Department (1) what research his Department has conducted which compares re-offending rates following prison and following alternatives to prison; and if he will make a statement; [40078]

(2) what were the re-conviction rates in the *(a)* one year and *(b)* two years following (i) release from custody and (ii) completion of community sentences in the most recent period for which figures are available; if he will indicate the methodology used; and if he will make a statement; [40028]

(3) what were the re-offending rates for young people leaving custody in each of the last three years for which figures are available. [40085]

Mr. Michael: The most recent information available on the reconviction rates of those released from custody is based on a sample of sentenced prisoners discharged during the first quarter of 1995. The reconviction rate one year after release is 39 per cent., and after two years is 55 per cent.

These rates and others quoted in this reply relate to reconvictions for standard list offences. These include all indictable offences and some of the more serious summary offences (a complete list can be found in Appendices 4 and 5 of Criminal Statistics England and Wales, 1996, Cm 3764).

Reconviction rates for community sentences are most commonly quoted in terms of a period following commencement of the order. The most recently available rates for a period following completion of a community sentence (probation or community service) relate to a sample of offenders whose orders commenced in 1987. Completion of an order does not imply completion without reoffending and a proportion of those completing orders will be reconvicted on or before the termination date. The overall reconviction rate within two years of completion for the sample was 50 per cent. (if reconvictions on the termination date are included) but falls to 45 per cent. if reconvictions on the termination date are excluded. The respective rates at one year after completion are 39 and 30 per cent.

Figures in respect of reconviction within two years of commencing an order are more up to date. The most recent available information relates to a sample of

offenders who commenced probation, community service or combination orders during the first quarter of 1995, of which 42 per cent. had been reconvicted one year after commencement and 56 per cent. after two years.

The methodology used to produce the rates for custody was published in 'Reconvictions of prisoners discharged from prison in 1993, England and Wales' (Home Office Statistical Bulletin 5/97) and for community sentences in 'Reconvictions of those commencing community penalties in 1993, England and Wales' (Home Office Statistical Bulletin 6/97). Copies are in the Library.

The most recent information available on the reoffending of young offenders leaving custody relates to reconviction rates within two years of discharge from Prison Service Establishments:

Reconviction rates for standard list offences, within two years of discharge, for young offenders discharged from Prison Service establishments in England and Wales

percentage

Period of discharge	*Reconvicted*
1992	71
1993	74
1994	75
1st quarter of 1995[1]	75

[1] The coverage of standard list offences increased in July 1995 and January 1996. These changes had the effect of increasing the reconviction rate for young offenders discharged in the first quarter of 1995 from 74 per cent. to 75 per cent. to 75 per cent.

The most recent detailed analysis of reconviction results is contained in Home Office Research Study 136. This used a two year follow-up for reconviction rates and is based on samples of offenders released from prison or commencing orders in 1987. After taking account of the characteristics of offenders and pseudo-reconvictions the authors concluded:

"The key finding of this study—in common with previous studies—is that there was little difference between actual and predicted reconviction rates, suggesting that sentence on its own did not have a major impact upon the likelihood of reconviction. We found no clear evidence to suggest that custody outperformed community penalties or vice versa in preventing reoffending".

Their results are broadly in line with those obtained from more recent samples of offenders described above. Some limited comparisons of those fined or conditionally discharged in 1993 have been made with rates for other disposals. A summary of results was presented to the Home Affairs Committee Inquiry into alternatives to prison sentences.

Research on the relationships between social factors and reconviction rates for those given community sentences is currently underway.

Drug Treatment Orders

Mr. Clappison: To ask the Secretary of State for the Home Department what is his estimate of the number of drug treatment orders which will be made in the first full year of operation of the orders. [40139]

Mr. George Howarth: The purpose of piloting the drug treatment and testing order in three areas will be to evaluate its cost, effectiveness, and the demand for it from the courts. It is not possible at this stage to estimate with any accuracy how many orders will be made in the first full year of operation.

Mr. Clappison: To ask the Secretary of State for the Home Department what is his estimate of the number of drug testing and treatment orders which will be made in each of the pilot areas under the Crime and Disorder Bill [*Lords*] in *(a)* 1998–99 and *(b)* 1999–2000. [40138]

Mr. George Howarth: Each of the areas will receive an equal share of the funding available for the pilot and should make approximately the same number of drug treatment and testing orders. We estimate that the funds available will purchase 150–250 drug treatment and testing orders per annum, depending on the type of treatment proposed in each case. It would seem reasonable to assume that approximately one-third of these would be made in 1998–99 and two-thirds in 1999–2000.

Remand Custody

Mr. Clappison: To ask the Secretary of State for the Home Department what plans the Government have to implement section 9 of the Crime (Sentences) Act 1997. [40212]

Mr. Michael: The Government plan to implement section 9 of the Crime (Sentences) Act 1997 early next year, subject to the satisfactory completion of pilots currently in progress. Section 9 requires a court, on passing a sentence of imprisonment, to identify the number of days spent on remand in custody or police detention by the defendant that are to be credited against the sentence imposed. It is essential that the courts have confidence in the remand information when sentencing. Pilots have been running since January with the aim of establishing a reliable system for passing remand details to the court.

The Crime and Disorder Bill currently before Parliament contains technical amendments to section 9 consequential on the Government's decisions to repeal certain measures in the Crime (Sentences) Act 1997. Rules, which are subject to the affirmative resolution procedure, are being drafted to govern the disallowing of remand time in cases where there are consecutive or wholly or partly concurrent sentences, and where some or all of a remand in custody is concurrent with a sentence of imprisonment.

Embarkation Control

Mrs. May: To ask the Secretary of State for the Home Department if he will make a statement on the changed arrangements for embarkation control at United Kingdom ports and airports, with particular reference to *(a)* the manning of closed circuit television monitors, *(b)* the training of staff to monitor CCTV equipment, *(c)* which categories of immigration officers are being trained to monitor CCTV equipment, *(d)* how many immigration officers have been re-deployed as a result of the changes and *(e)* how many of these have been seasonal immigration officers. [40310]

Mr. Mike O'Brien: Implementation of the new embarkation arrangements which I announced on 16 March commenced on 14 April. The transition is running smoothly. The answers to the hon Lady's specific questions are as follows:

(a) the closed circuit television (CCTV) monitor will be staffed on the basis of operational need and intelligence received by the respective enforcement agencies;

(b) basic instruction by an established company in this field has already been delivered and further training is being planned.

(c) a number of relevant operational staff in the chief immigration officer, immigration officer and assistant immigration officer grades have received instruction in basic techniques of CCTV monitoring.

(d) we estimate that it should be possible to re-deploy the equivalent of up to a maximum of 90 permanent posts in a full year once all the changes have been made; and

(e) it is unlikely that in the long term any seasonal immigration officers will be re-deployed.

Travellers

Sir Michael Spicer: To ask the Secretary of State for the Home Department if he will introduce legislation to give greater powers to the police to evict travellers who are occupying private land against the wishes of the owners of the land. [40165]

Mr. Michael *[holding answer 29 April 1998]:* We will consider any proposals for strengthening the law if this will have a practical effect in helping the police to be more effective. The police already have wide powers under sections 61 and 62 of the Criminal Justice and Public Order Act 1994 to remove trespassers and their vehicles where they have, for example, been abusive to the owner, a member of his family or his agent; or they have between them six or more vehicles. These powers complement the powers available to local authorities under sections 77 and 78 of the Act to direct unauthorised campers to leave land. Decisions about how to enforce the criminal law are an operational matter for chief police officers.

Human Rights

Mr. David Heath: To ask the Secretary of State for the Home Department for what reason the United Kingdom has not ratified Protocol 7 of the European Convention on Human Rights and Fundamental Freedoms. [40369]

Mr. Mike O'Brien: There are a few provisions in our domestic law—for example, at common law a husband has a duty to maintain his wife, but not vice versa—which are not compatible with Protocol 7. We intend to legislate to remove these inconsistencies, when a suitable opportunity occurs, and then to sign and ratify the Protocol.

Mr. David Heath: To ask the Secretary of State for the Home Department for what reason the United Kingdom has not ratified Protocol 4 of the European Convention on Human Rights and Fundamental Freedoms signed in September 1963. [40370]

Mr. Mike O'Brien: Ratification of Protocol 4 will be possible only if potential conflicts with our domestic laws can be resolved. There is a particular concern in relation to Article 3(2) of the Protocol, which protects the right of nationals not to be excluded from their home state. This could be taken as conferring the right of abode in the United Kingdom on various categories of British nationals who do not have it.

Fines

Mr. Malcolm Bruce: To ask the Secretary of State for the Home Department if he will make a statement on the Government's policy towards income-related fines. [40218]

Mr. Michael: A scheme of unit fines was introduced by the previous administration in the Criminal Justice Act 1991, but the public did not have confidence in the system and it was abolished by the Criminal Justice Act 1993.

When imposing a fine on an offender, the courts are required to take into account the circumstances of the offence and the offender. This includes the financial means of the offender, so far as it is known. This should ensure that the fine will be set at a level which is commensurate with the seriousness of the offence, but which the offender can afford to pay.

Sporting Events (Policing)

Mr. Malcolm Bruce: To ask the Secretary of State for the Home Department if he will estimate the percentage of commercial sporting events for the policing of which police forces presently charge; and if he will make a statement. [40235]

Mr. Michael: There is no information held centrally on which to base such an estimate. It is for chief officers of police to decide when to charge for the policing of commercial sporting events.

CULTURE, MEDIA AND SPORT

Sportsmatch

Mr. Maude: To ask the Secretary of State for Culture, Media and Sport what the total value of grants agreed by the Sportsmatch business sponsorship incentive scheme for sport has been since November 1992. [40169]

Mr. Chris Smith: Since its launch in November 1992, the Sportsmatch scheme has made 2,055 awards worth a total of £16,355,366.

National Heritage Memorial Fund

Helen Jones: To ask the Secretary of State for Culture, Media and Sport how many applications to the National Heritage Memorial Fund have been *(a)* made and *(b)* approved from organisations in the Warrington, North constituency since the fund was set up. [40224]

Mr. Banks: The National Heritage Memorial Fund encompasses two separate funds: the heritage memorial fund and the heritage lottery fund. The heritage memorial fund has since 1980 served as a fund of last resort for the support of heritage projects throughout the United Kingdom. Information concerning funding applications to and awards from the memorial fund is not readily available on a constituency basis. The heritage lottery fund constitutes the heritage tranche of proceeds from the National Lottery. It has so far received four applications for funding from organisations in the Warrington, North constituency, two of which were successful.

Helen Jones: To ask the Secretary of State for Culture, Media and Sport if he will list the total value of grants awarded from the National Heritage Memorial Fund for each constituency in England and Wales. [40225]

Mr. Banks: Such information is available only in respect of awards by the heritage lottery fund. I am placing in the Library of the House a copy of the list of awards for each constituency in the United Kingdom.

WALES

Teachers (Early Retirement)

Mr. Barry Jones: To ask the Secretary of State for Wales how many teachers in local education authority schools in Wales were given early retirement at the age of 55 years and over in each of the last five years. [39435]

Mr. Hain: The number of teachers in local education authority schools (that is, maintained nursery, primary, secondary and special schools) in Wales who were given early retirement at the age of 55 years and over in each of the last five years is as follows:

	Ill health	*Premature*	*Total*
1992–93	108	271	379
1993–94	125	323	448
1994–95	114	311	425
1995–96	92	295	387
1996–97[1]	97	267	364

[1] 1996–97 data are still provisional

Source:

Database of teacher records and Pensioner statistical system

Beef and Lamb

Mr. Gareth Thomas: To ask the Secretary of State for Wales what steps he is taking to ensure the effective promotion of Welsh beef and lamb, with particular reference to the production methods of Welsh food producers. [39502]

Mr. Win Griffiths: The Welsh Office provides support to Welsh Food Promotions Limited which through the marketing and promotional activities of its sister company, Welsh Lamb and Beef Promotions, is responsible for stimulating demand for Welsh lamb and beef. A key element of this is the Farm Assured Welsh Livestock scheme.

The scheme is aimed at livestock producers and encourages the highest standards of animal husbandry and provides consumers with assurances on quality, traceability and animal welfare. Through direct Welsh Office support for a recruitment campaign, membership of the scheme has increased four fold to 3,500 in recent years.

In addition, we are providing grant aid totalling over £2 million to two major projects aimed at improving breeding and production systems for Welsh lamb and beef. These projects, which are assisted under the Objective 5B scheme, are the Beef Development Project sponsored by ADAS and the Welsh Sheep Strategy.

Finally, the Welsh Office will be seeking to develop organic and conservation grade farming as part of our plans to develop a long-term food strategy for Wales.

Environmental Task Force

Mr. Llew Smith: To ask the Secretary of State for Wales, pursuant to his answer of 20 April 1998, *Official Report*, column *444*, how the aims and operation of the Environmental Task Force in Wales differ from those in *(a)* England and *(b)* Scotland. [39696]

Mr. Win Griffiths: The aims and operation of the New Deal Environment Task Force option in Wales are not significantly different from those in England or Scotland. However minor variations have been made to reflect the needs of each home country.

Welsh Food Promotions Ltd.

Mr. Wigley: To ask the Secretary of State for Wales how much public funding has been given to Welsh Food Promotions Ltd in each financial year since it was formed; and how much the Welsh Office has committed to it for the current financial year. [39644]

Mr. Win Griffiths: Welsh Food Promotions was established in 1991 and the public funds it has received since then is shown in the table.

£000

Year	*WDA*	*DBRW*	*WTB*	*EC 5b grant*	*Welsh Office*	*Other/fees*	*Total*
1991–92	48	7.5	17.5	0	0	62	135
1992–93	1,019.5	100.0	40.0	0	0	0	1,159.5
1993–94	1,372.0	102.6	45.0	0	0	0	1,519.6
1994–95	1,400.0	100.9	50.0	0	0	0	1,550.9
1995–96	1,350.0	105.0	55.0	0	0	0	1,510.0
1996–97	500.0	108.0	55.0	9	550.0	279	1,451.0
1997–98	0	110.0	55.0	378	700.0	185	1,428.0

Funding for the current financial year has not yet been announced as discussions on Welsh Food Promotions' 1998–99 business plan are continuing.

Agricultural Finance

Mr. Wigley: To ask the Secretary of State for Wales (1) what assessment he has made of the effect of centralising the payment of agricultural grants on the economies of those areas in which regional offices are currently based; [39743]

(2) what assessment he has made of the impact of the centralisation of the farmers' grants payment system on the length of time taken to issue payments to farmers. [39733]

Mr. Win Griffiths: On 16 March I announced plans to commission a study from consultants to assess the options for securing improved administration of Common Agricultural Policy payments in Wales.

Work on the study has just begun and at this early stage the consultants have been asked to collect information from staff on all feasible options for developing the service. These could include options for centralising the service, for transferring responsibility for administering payments to MAFF or the Intervention Board, or for developing the service using the existing office structure.

In line with the terms of reference for the study each option identified will be assessed in terms of the costs, benefits and risks it represents for the Welsh Office. All feasible options will be expected to deliver a bilingual service to farmers that meets the Welsh Office's objectives and the standards set out in the Charter Standard for Farmers in Wales, and complies with the requirements of EC regulations. All options will be assessed in terms of their impact on the number and distribution of employment opportunities within Wales.

All these factors will be taken in to account in the study's final report which will inform my decision on the best way forward.

Local Government Elections

Mr. Wigley: To ask the Secretary of State for Wales what assessment he has made of the benefits of introducing a system of proportional representation for local government elections in Wales. [39737]

Mr. Win Griffiths: The emphasis so far has been on developing proposals for increasing the frequency of local elections. Little work has been done on the merits of alternative electoral systems for local government. Decisions on the way ahead in Wales will be informed by the response to the consultation document, "Local democracy and community leadership", published by my Department on 19 March.

Milk Industry

Mr. Wigley: To ask the Secretary of State for Wales what recent steps he has taken to support the Welsh milk industry. [39738]

Mr. Win Griffiths: On 16 December 1997 officials from the Welsh Office attended the Mergers Panel meeting investigating the acquisition by Milk Marque of the Felinfach based Aeron Valley Cheese Company to underline the importance of this investment for the West Wales economy and dairy industry in particular. More recently, we have given written evidence to the Monopolies and Mergers Commission inquiry into the selling of raw milk reinforcing these points and more generally the important contribution that the dairy sector makes to agriculture in Wales.

The Welsh Office is currently considering an application for grant aid from Aeron Valley Cheese concerning their expansion plans.

I have also, in recent months, discussed with colleagues the Milk Development Council's campaign to be allowed to retain its exemption from Corporation Tax.

The EC's proposals for reform of the dairy sector as part of the Agenda 2000 are part of the on-going dialogue that I and my officials are having with the farming unions in Wales.

Dyfed Powys Health Authority

Mr. Denzil Davies: To ask the Secretary of State for Wales if he intends to advertise publicly to fill the post of Chairman of the Dyfed Powys Health Authority when the present incumbent's term ends. [39949]

Mr. Win Griffiths: The post was advertised in October 1997 and an announcement will be made before the period of appointment of the present incumbent ends on 30 June 1998.

Training

Mr. Livsey: To ask the Secretary of State for Wales (1) how many training providers are currently on the promotional file of Business Connect; [40108]

(2) how many training providers have received contracts from each TEC in Wales for the year 1998–99. [40111]

Mr. Hain: This information is not held centrally. However the Department will be compiling a training database with the assistance of TECs in Wales for 1998–99 in preparation for the planned start of inspection of vocational training by OHMCI from 1 April 1999. This is subject to the passage of the necessary enabling vires for OHMCI in the Teacher and Higher Education Bill which is currently before the House.

Assisted Places

Mr. Livsey: To ask the Secretary of State for Wales what factors underlie the differences in the administration arrangements of the assisted places scheme in Wales. [40107]

Mr. Hain: Under the Education (Schools) Act 1997 and associated Regulations, the Secretary of State for Wales is responsible for the operation of the Assisted Places Scheme (APS) at participating independent schools in Wales.

The Secretary of State has powers to vary, subject to consultation and Parliamentary approval of revised Regulations, certain administrative and financial elements of the Scheme. These include the determination, usually annually, of the relevant income levels in the Parental Contribution Tables and the maximum level of fees and other incidental expenses that may be remitted in relation

to APS pupils at participating schools. In practice, any changes in these elements have been consistent across England and Wales in percentage terms.

There are some differences in the coverage of the APS in Wales compared with England. In Wales, the Scheme does not include places for pupils below age 7 nor places at preparatory schools that are not an integral part of a school with secondary provision.

Local Government

Mr. Ruane: To ask the Secretary of State for Wales when he will publish his proposals for a new ethical framework for local government in Wales. [40787]

Mr. Win Griffiths: I have today placed in the Library of the House copies of the seventh and final consultation paper in the series inviting views on the options for modernising local government in Wales.

The paper sets out the Government's proposals for a new ethical framework for Welsh local government. It will underpin the modernising process by ensuring that councillors and council employees are aware of the conduct expected of them and that all allegations will be investigated and appropriate action taken if they are upheld. These changes will ensure that the public retains confidence in Welsh local government.

Social Exclusion

Mr. Ruane: To ask the Secretary of State for Wales what plans he has to tackle social exclusion in Wales. [40788]

Mr. Win Griffiths: I will announce tomorrow that funding of £750,000 will be made available for the initial, development phase of a new Social Exclusion Programme for Wales. The focus of the Programme will be on tackling social exclusion in a co-ordinated way, through community development and with an emphasis on action research.

Cadw

Mr. Ruane: To ask the Secretary of State for Wales what targets he has set for Cadw: Welsh Historic Monuments Executive Agency. [40789]

Mr. Ron Davies: Cadw has been set the following key targets for 1998–99:

1. To complete 90 per cent. of the approved conservation maintenance programme.
2. To complete 80 listing resurveys.
3. To resolve 75 per cent. of ad hoc listing cases within 17 weeks.
4. To complete 120 scheduling actions, of which at least 70 per cent. involve additional protection.
5. To resolve 80 per cent. of listed building consent cases within 4 weeks and 90 per cent. of cases in 7 weeks.
6. To resolve 75 per cent. of scheduled monument consent cases within 13 weeks and 90 per cent. of cases within 17 weeks.
7. To resolve 80 per cent. of historic buildings grant applications in 18 weeks.
8. To resolve 80 per cent. of ancient monument grant applications within 6 weeks.
9. To pay 90 per cent. of properly presented claims for historic buildings and ancient monuments grants within 5 weeks of receipt.
10. To achieve a market share of 63 per cent. of the number of visitors to the top twenty heritage sites in Wales.
11. To reduce the direct net cost per visitor at Cadw's sites to an average of 30p.
12. To operate within allocated programme and running cost budgets.
13. To achieve efficiency gains of at least 2 per cent.

Full details of Cadw's performance against targets for 1998–99 will be published in the Agency's Annual Report.

Education

Mr. Evans: To ask the Secretary of State for Wales if he will list those grants and bursaries to educational establishments which have been in existence for three years or more which it is his policy to withdraw. [40374]

Mr. Hain: The following are to be withdrawn:

Grants to grant maintained schools under sections 250–252 of the Education Act 1996. Such schools will come within the local authority funding arrangements from 1 April 1999 under the provisions of the School Standards and Framework Bill.

Funding for assisted places under the Education (Schools) Act 1997, which is being phased out over a period of 7 years from September 1998.

Training Grants

Mr. Evans: To ask the Secretary of State for Wales if he will list those grants and bursaries for training which have been in existence for three years or more which it is his policy to withdraw. [40375]

Mr. Hain: I have no plans to withdraw any training schemes which are currently open to new applicants, although, as with all such programmes, they are reviewed regularly.

DUCHY OF LANCASTER

Public Appointments

Mr. Vaz: To ask the Chancellor of the Duchy of Lancaster what proportion of public appointees appointed since 1 May 1997 have been selected from outside the central list of nominees. [39690]

Dr. David Clark: The Government are committed to obtaining a wide field of candidates for public appointments. Sources of candidates can include advertising, executive search, consultation with interested bodies, and searches of central and departmental lists.

Since May, the Public Appointments Unit has made nominations for around 700 appointments. Over the same period, it has learnt of 82 appointments which have been made following nomination by the Unit. A number of recent appointments will still be under consideration.

Figures on the total number of new appointments made to executive non-departmental public bodies and health bodies within his remit since April 97 will be published in the Annual Report of the Commissioner for Public Appointments.

Mr. Vaz: To ask the Chancellor of the Duchy of Lancaster if he will make a statement on his responsibilities relating to senior and public appointments; and what policy initiatives he has taken in this area. [39686]

Dr. David Clark: My responsibility for public appointments includes setting the policy framework in which public appointments are made; liaising with the independent Commissioner for Public Appointments who sets standards for the process of making appointments within his remit; and responsibility for the Public Appointments Unit in OPS which works with departmental appointments units in disseminating best practice, and maintains a central list of potential candidates for public appointments. Recent initiatives in this area have included the publication of the green paper on *Opening up Quangos* which set out proposals on extending the Commissioner's remit and attracting a wider range of candidates to public appointments; and the development of a public appointments register on the internet. In addition, I have responsibility for a number of appointments to Cabinet Office non-departmental public bodies.

My responsibility for the senior civil service extends to policy oversight for their pay and personnel management framework, including general appointment procedures. Responsibility for appointments to the most senior civil service posts resides with the Prime Minister and the Head of the Home Civil Service. An important recent initiative in this field was the creation of an inter-departmental Working Group on Equal Opportunities in the Senior Civil Service.

Mr. Vaz: To ask the Chancellor of the Duchy of Lancaster if he will make a statement on the use of information technology in the selection of candidates for public appointment. [39689]

Dr. David Clark: The Government are committed to effective and efficient use of modern technology in carrying out their function. Information technology is used in public appointments in a variety of ways, including maintaining databases of potential candidates. In addition, information technology is used to provide information about public appointments, for example via the public appointments website (Public Appointments Unit @ Cabinet-Office.gov.uk).

Mr. Vaz: To ask the Chancellor of the Duchy of Lancaster if he will make a statement on the role of headhunting bodies in the selection of public appointees; and what assessment he has made of the extent to which those from ethnic minority backgrounds are represented on such headhunting bodies. [39691]

Dr. David Clark: The Government are committed to obtaining a wide field of candidates for public appointments. The guidance of the Commissioner for Public Appointments makes clear that sources of candidates can include advertising, consultation with interested bodies, search of central and departmental lists and the use of executive search can be particularly helpful in seeking to attract people who are not currently looking for a job, or who would not normally think of putting themselves forward for public appointment.

The employment of members of the ethnic minorities is a matter for the executive search companies themselves. Departments will engage such companies in line with normal Government rules on tendering. All government contracts have provision against unlawful discrimination; and oblige the contractor to take all reasonable steps to ensure that their employees or agents do not discriminate.

Mr. Vaz: To ask the Chancellor of the Duchy of Lancaster what is the average interval between the nomination of candidates for appointment to a public body, and the taking up of the appointment. [39688]

Dr. David Clark: Information on the time between nomination and any appointment is not held centrally. The time is likely to differ substantially, depending on the circumstances.

Mr. Vaz: To ask the Chancellor of the Duchy of Lancaster what assessment he has made of the accountability of public appointments bodies to ministers. [39687]

Dr. David Clark: Ministers are directly responsible for around 30,000 public appointments. The Commissioner for Public Appointments, appointed under the Public Appointments Commissioner Order in Council 1995, produces guidance on the public appointments process, which sets out the role of Ministers, the alternative sources of candidates and the Commissioner's own responsibility to monitor and report on public appointments within his remit.

Mr. Oaten: To ask the Chancellor of the Duchy of Lancaster if he will list by grade and by Government department the percentage of employees in the Civil Service who are disabled. [39913]

Dr. David Clark *[holding answer 27 April 1998]:* The proportions of non-industrial civil servants by grade and by Government department who are disabled as at 1 April 1997 are set out in the table.

Disabled staff as a percentage of all staff at 1 April 1997 by Department and responsibility level

Departments	*SCS*	*Grade 6*	*Grade 7*	*SEO*	*HEO*	*EO*	*AO*	*AA*	% *Disabled*
Advisory, Conciliation and Arbitration Service	20.0	0.0	0.0	3.5	4.2	1.7	5.3	12.9	4.5
Agriculture, Fisheries and Food	0.9	2.9	5.3	2.1	2.6	2.4	4.4	3.7	3.5
Cabinet Office (incl. OPS)	0.0	0.0	0.4	2.2	0.8	1.7	1.6	2.4	1.4
Charity Commission	0.0	'—	6.5	2.9	4.7	6.3	2.3	2.5	3.8
Crown Prosecution Service	0.0	1.9	6.7	0.0	2.2	1.8	2.2	3.6	2.2
Culture, Media and Sport, Department	9.1	0.0	1.5	2.7	0.0	0.0	1.0	0.8	1.1
Customs and Excise	0.0	1.2	0.6	0.9	1.2	1.4	3.0	4.8	2.2
Defence	1.3	1.6	2.0	2.6	4.7	4.6	3.6	4.1	3.9

Disabled staff as a percentage of all staff at 1 April 1997 by Department and responsibility level

Departments	*SCS*	*Grade 6*	*Grade 7*	*SEO*	*HEO*	*EO*	*AO*	*AA*	% *Disabled*
Education and Employment, Department for	1.4	2.8	3.7	4.2	3.7	4.6	6.1	10.8	5.6
Office for Standards in Education (OFSTED)	11.1	2.6	0.0	9.1	4.2	1.6	2.1	5.2	3.2
Environment (including Property Holdings)	0.0	0.0	1.0	1.1	1.2	1.7	1.4	3.6	1.4
Health and Safety Commission/Executive	1.2	0.8	1.7	1.0	2.7	3.1	4.3	6.9	2.9
Export Credits Guarantee Department	0.0	50.0	27.9	8.8	10.5	7.4	4.0	14.0	9.7
FCO: Diplomatic Service	0.9	1.2	2.6	2.2	2.1	1.2	2.9	3.4	2.0
Friendly Societies, Registry of	0.0	0.0	0.0	0.0	4.5	0.0	2.5	14.3	2.9
Government Actuary	0.0	0.0	0.0	0.0	0.0	16.7	20.0	0.0	3.8
Health	1.8	0.0	3.6	3.3	3.1	4.3	2.8	2.7	3.1
HM Prison Service	0.0	0.6	1.0	0.9	1.0	0.6	0.2	0.7	0.3
Home Office	0.0	0.0	0.4	0.7	1.4	1.8	3.1	2.8	2.0
Information, Central Office of	0.0	0.0	0.0	0.0	0.0	0.0	1.9	3.7	0.5
Inland Revenue	2.5	2.8	2.7	3.2	3.6	3.6	3.2	5.5	3.9
International Development, Department for	0.0	0.0	1.1	0.0	2.0	1.7	2.4	9.4	2.6
Intervention Board	0.0	0.0	4.0	12.8	6.1	6.2	9.1	10.2	8.2
Land Registry	0.0	0.0	22.0	2.3	1.7	2.6	4.0	8.6	4.2
Legal Secretariat	0.0	0.0	0.0	[1]—	0.0	0.0	0.0	0.0	0.0
Lord Chancellor's Department	0.0	1.7	1.4	2.0	1.2	2.2	2.6	4.1	2.6
National Investment and Loans Office	0.0	[1]—	0.0	0.0	[1]—	8.3	0.0	[1]—	2.7
National Savings, Department for	0.0	10.0	2.6	2.0	2.0	1.8	1.9	5.1	2.8
National Statistics, Office for	0.0	0.0	0.0	0.6	0.6	1.6	1.1	4.0	1.5
Northern Ireland Office	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.7	0.9
Office of Electricity Regulation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Office of Fair Trading	9.1	0.0	2.1	0.0	4.3	2.9	4.3	0.0	3.0
Office of Gas Supply	0.0	0.0	0.0	0.0	0.0	3.0	0.0	0.0	0.9
Office of Passenger Rail Franchising	0.0	0.0	0.0	8.3	0.0	5.6	16.7	0.0	2.9
Office of Telecommunications	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Office of the National Lottery	0.0	[1]—	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Office of the Rail Regulator	12.5	0.0	0.0	[1]—	0.0	5.6	0.0	0.0	1.7
Office of Water Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.7	0.6
Ordnance Survey	0.0	0.0	2.6	2.8	2.0	2.4	3.2	14.3	2.6
Privy Council Office	0.0	[1]—	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Record Office	0.0	0.0	11.8	8.3	4.2	3.6	4.0	14.2	7.2
Royal Mint	0.0	0.0	14.3	0.0	4.6	1.1	1.0	3.3	2.5
Scottish Office	0.0	1.2	0.0	0.3	0.5	0.8	1.5	4.2	1.5
Crown Office and Procurator Fiscal	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.8	0.5
General Register Office—Scotland	0.0	0.0	0.0	0.0	0.0	0.0	1.3	2.1	0.9
Lord Advocates Department	0.0	0.0	[1]—	[1]—	0.0	0.0	0.0	0.0	0.0
Registers of Scotland	0.0	0.0	0.0	0.0	0.5	2.3	4.4	5.3	2.9
Scottish Courts Administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Scottish Courts Service	0.0	0.0	0.0	0.0	1.3	1.0	1.0	1.3	1.0
Scottish Prison Service	2.4	0.0	0.0	0.0	0.1	0.0	0.2	0.0	0.1
Scottish Record Office	0.0	0.0	0.0	0.0	0.0	7.7	6.3	0.0	2.4
Security and Intelligence Services	0.0	0.0	1.3	1.5	0.5	1.0	1.7	1.0	1.1
Serious Fraud Office	0.0	0.0	0.0	6.3	0.0	0.0	7.1	0.0	1.8
Social Security	4.3	1.3	1.2	2.8	5.0	6.4	6.3	8.7	6.6
Trade and Industry	2.1	3.0	3.0	3.4	2.6	3.2	4.5	6.1	3.8
Transport	0.0	1.2	0.2	0.8	0.7	0.5	1.2	2.6	1.1
Treasury	3.9	0.0	0.0	0.4	[1]—	0.0	0.9	4.8	1.0
Treasury Solicitor	2.1	6.1	2.2	4.0	5.7	8.6	13.2	11.4	6.9
Welsh Office (including OHMCIS)	1.4	1.9	4.5	5.0	6.2	4.2	2.9	4.4	3.9
Total	1.3	1.6	2.3	2.1	3.1	3.7	3.9	5.4	3.8

[1] No staff at this responsibility level.

Note:

1. Figures are for non industrial staff and are calculated on a head count basis.
2. Since April 1996, service-wide grades no longer exists. The "responsibility levels" shown in this table assign staff to eight levels of responsibility broadly equivalent to the previous grades.

Source:

Mandate and Departmental Returns.

DEFENCE

NATO Enlargement

Ann Clwyd: To ask the Secretary of State for Defence if he intends to hold a public debate on NATO enlargement prior to ratification. [40391]

Mr. George Robertson: We have undertaken to provide time for debates in both Houses before Her Majesty's Government accept the Protocols of Accession enabling the accession to NATO of the Czech Republic, Hungary and Poland. The Protocols were tabled with explanatory memoranda by my hon. Friend the Minister of State, Foreign and Commonwealth Office, on 8 April 1998. We will respond in the normal way to the recent report by the Defence Select Committee. We have also taken steps to increase the amount of information available about NATO and NATO enlargement by establishing web pages on the Ministry of Defence's World Wide Web site at http://www.mod.uk.

EDUCATION AND EMPLOYMENT

Undergraduate Students

Dr. Lynne Jones: To ask the Secretary of State for Education and Employment if he will list the numbers of *(a)* full-time and *(b)* sandwich undergraduates broken down by socio-economic categories A to E attending former polytechnics and colleges in 1995. [39423]

Dr. Howells: The available data held centrally on full-time and sandwich undergraduate students by social classes A to E are provided in the table. Figures for full-time and sandwich students separately are not available. The table shows the numbers of accepted applicants to full-time and sandwich courses in former polytechnics and colleges who apply through the Universities and Colleges Admissions Service (UCAS); however not all full-time and sandwich undergraduate students in these institutions enter through UCAS.

Accepted applicants through UCAS to full-time and sandwich undergraduate courses in the former Polytechnics and Colleges[1] in the UK, by Social Class: Autumn 1995 entry
Home domiciled, all ages

Social class	*Numbers*
A. Professional	15,735
B. Intermediate	54,561
C1. Skilled non-manual	17,860
C2. Skilled manual	27,838
D. Partly skilled	13,174
E. Unskilled	3,578
Not Known	18,720
Total	151,466

[1] All institutions other than the former UFC funded institutions.

Higher Education Qualifications

Dr. Lynne Jones: To ask the Secretary of State for Education and Employment if he will list the proportion of people with higher education qualifications by parliamentary constituency in *(a)* 1981 and *(b)* 1991. [39424]

Dr. Howells: Data from the 1991 Census showing the proportion of people with higher education qualifications in each constituency are published by the Office for National Statistics in the "New Parliamentary Constituency Monitor" series. Copies of these, and the equivalent publications covering the 1981 Census, are available in the Library. These figures are not reproduced here because of the volume of data involved.

Special Educational Needs

Mrs. Browning: To ask the Secretary of State for Education and Employment what the spending by local education authorities in England was on special educational needs for the years *(a)* 1994–95, *(b)* 1995–96, *(c)* 1996–97 and *(d)* 1997–98. [39616]

Ms Estelle Morris: It is not possible to disaggregate expenditure on all pupils and students with special needs. The table shows expenditure by local education authorities on pupils and students with statements of special educational needs for 1994–95 to 1996–97, the latest year for which figures are available.

1994–95: £1.82 billion

1995–96: £1.63 billion

1996–97: £1.69 billion

Mrs. Browning: To ask the Secretary of State for Education and Employment what the spending by local education authorities in England was on teacher training and development for special educational needs in *(a)* 1994–95, *(b)* 1995–96, *(c)* 1996–97 and *(d)* 1997–98. [39617]

Ms Estelle Morris: Details of total LEA expenditure on teacher training and development are not held centrally. The Government do provide support to local education authorities for teacher training and development for special educational needs through the Standards Fund, known as the Grants for Education Support and Training (GEST) programme up to 1997–98. This provides specific resources for teacher training in special educational needs, but allows local education authorities to determine spending, in accordance with local needs. LEAs may use other funds for teacher training and development in addition to that supported through the Standards Fund.

GEST programme—elements of the grant for teacher training and development for special educational needs

Year	*£ million*
1994–95	15.2
1995–96	20.6
1996–97	20.1
1997–98	16.9

Note:

In 1994–95, 1995–96 and 1996–97 there were two separate grants, one to support training for SEN and one to support implementation of the SEN Code of Practice. These have been combined to provide an overall figure for training and development for special educational needs. In 1997–98 there was only one combined grant.

Arts Subjects

Mr. Steinberg: To ask the Secretary of State for Education and Employment if he will make a statement on the provision in the National Curriculum for the promotion and classroom study of areas of artistic specialisation and subjects other than those concerned with literacy and numeracy. [39850]

Ms Estelle Morris: Music and art remain National Curriculum foundation subjects and continue to be taught in all schools. In addition, my right hon. Friend the Secretary of State for Education and Employment has asked the National Advisory Committee on Creative and Cultural Education to make recommendations on how we might identify, encourage and nurture creativity in young people. The Committee will be taking a close look at the arts in schools as part of its work.

Hansard (CD-Roms)

Mr. Gordon Prentice: To ask the Secretary of State for Education and Employment if he will make available free of charge CD-ROMS of Parliamentary Debates to public libraries and secondary schools. [39909]

Dr. Howells: Hansard is available on the Internet website of the Stationery Office. Most secondary schools and many public libraries have access to the Internet and it is the Government's intention that all will have access by 2002. Hansard is also available in CD-ROM format to schools and at special rates to public libraries and it is open to schools and library authorities to consider its purchase.

School Toilets

Mr. Truswell: To ask the Secretary of State for Education and Employment if he will extend the scope of funding for the replacement of outside toilets to include those schools which will continue to depend substantially on such facilities. [40168]

Mr. Byers: There is no need to extend the scope of the funding. Our guidance to local education authorities (LEAs) states that:

"grant will be available for projects which will ensure that a school's principal toilet accommodation will be accessed from indoors either by remodelling, the building of an extension, or the construction of enclosed links between the main buildings and current externally accessed toilet blocks".

LEAs will be able to apply for funding for all schools which have outside toilets which fall within this definition. We would not normally, however, consider support for the replacement of toilets in temporary teaching accommodation which the LEA or governors expect to be taken out of use or replaced by permanent accommodation within a reasonable period.

International Labour Organisation

Mr. David Heath: To ask the Secretary of State for Education and Employment for what reason the United Kingdom has not ratified Convention 138, on the minimum age of child labour, of the Core Conventions of the International Labour Organisation. [40372]

Mr. Andrew Smith: The Government fully support the principles embodied in the Convention and are currently reviewing the United Kingdom position with regard to ratification.

Mr. David Heath: To ask the Secretary of State for Education and Employment for what reasons the United Kingdom has not ratified Convention 111, on discrimination on grounds of race, sex, religion, social origin and political opinion, of the Core Conventions of the International Labour Organisation. [40373]

Mr. Andrew Smith: Although the Government have not yet ratified this Convention we are strongly committed to the principles contained in it. Therefore we are currently reviewing the position towards ratification.

SOCIAL SECURITY

Gender Issues

Mr. Brazier: To ask the Secretary of State for Social Security if she will make a statement on her Department's policy towards COM (98) 82 on gender issues. [37000]

Ms Ruddock: It is a priority of this Government to ensure that women's needs and interests are at the heart of Government in all policy development, across all departments.

The Ministers for Women have issued new guidance for policy makers to achieve this objective (often referred to as "mainstreaming"). The guidance will be launched on 18 May at a major conference for senior civil servants and representatives of women's organisations. The guidance is backed up by a new civil service training initiative, and a programme to monitor progress, with regular reports from all departments.

The Regulation on Integrating Gender Issues in Development Cooperation is currently under discussion in the European Community. It will ensure that resources are directly targeted at the pursuit of gender equality in the European Community's development programme. The Government welcome this initiative.

During the UK Presidency of the EU, Department for International Development has made it a priority to improve the effectiveness of the Community's development programmes. As part of this, the UK launched an initiative to review the implementation of the 1995 Gender Resolution to consider what more needs to be done to improve performance and impact in this key area. We expect conclusions on this to be adopted at the May Development Council.

Benefits Agency

Mr. Kirkwood: To ask the Secretary of State for Social Security (1) what estimate she has made of the value of debts outstanding to the Benefits Agency, what resources are being devoted by the Agency to their recovery; and what is the average age of such debts; [39221]

(2) how many and what percentage of outstanding debts were recovered by the Benefits Agency over the most recent period for which figures are available; what methods were employed; and in what percentage of cases litigation was pursued; [39223]

(3) what estimate she has made of the expenditure incurred by the Benefits Agency in the recovery of debts for the most recent period for which figures are available; and what was the total amount recovered as a result. [39224]

Mr. Denham: We are transforming the Social Security system into an Active Modern Service that commands the support and confidence of those who fund it, those who use it, and those who administer it, and provides a better, simpler, more efficient service to clients. As part of this, we are introducing a new overpayment recovery strategy for the Benefits Agency which will ensure that:

causes of overpayments are identified and dealt with;

failures in recovery of overpayment are minimised; and

overpayments are identified, calculated and recovery is effected as quickly as possible

The administration of debt recovery action is a matter for Peter Mathison, the Chief Executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Archy Kirkwood, dated 27 April 1998:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Questions concerning the recovery of outstanding debts.

Debt owning to the Benefits Agency (BA) falls into two main categories, recoverable overpayments of benefit and loans made through the Social Fund (SF). The estimated total debt currently outstanding is £691m, in benefit overpayments and £400m in SF loans.

Resources available for recovery work for 1998/99 are estimated at £24.9m for overpayments of benefit and £10m for the SF. As far as overpayments of benefits are concerned, information relating to the age of debts is not available and could only be obtained at disproportionate cost. Information on the current age of debts owning to the SF is not available. However, the following information is held for the year ending in March 1997.

Age	*Percentage of total*
Less than 1 year	64.95
1–2	19.25
2–3	7.18
3–4	3.61
4–5	2.09
Over 5	2.82

The total volume of overpayments of benefit cleared for the fiscal year 1996/97, the most recent period for which figures are available, was 224.771, representing 22% of the total stock of overpayments. A total of 1,298,778 SF loans were recovered in 1996/97, representing 65% of the outstanding debt.

As far as overpayments of benefit are concerned, the method of recovery depends on whether the debtor remains in receipt of benefit. If this is the case and the debtor is unable to repay immediately, recovery is made by deduction from ongoing benefit entitlement. The amount deducted can vary depending on the debtors circumstances and whether other deductions are being made from benefit, for example to clear arrears of housing or fuel costs.

The maximum that can be deducted from Income Support and income based Job Seekers Allowance under current regulations is currently £7.65 per week, rising to £10.00 per week in cases of proven fraud. For other benefits, the rate is set at a maximum of one third of the personal allowance for that benefit.

For those people no longer in receipt of benefit, voluntary arrangements for repayment are sought. Where these are not forthcoming, recovery is pursued through the civil courts if appropriate.

The vast bulk of SF loans are recovered by deductions from benefit.

When recovering both overpayments of benefit and SF loans, civil action is not taken against those still in receipt of benefit. For those not in receipt of benefit, litigation is pursued as a last resort. It was taken in approximately 7% of overpayment of benefit cases and approximately 14% of SF cases in 1996/97.

The expenditure incurred by the Benefits Agency in the recovery of debts in 1996/97, the most recent period for which figures are available, was:

£15.6m for overpayments of benefit.

£22.1m for SF.

The total amounts recovered for this period were:

£102.6m for overpayments of benefit.

£299m for SF.

I hope that this is helpful.

Benefit Integrity Project

Ms Perham: To ask the Secretary of State for Social Security what plans she has for reforming the Benefit Integrity Project; and if she will make a statement on the review of the gateways into disability living allowance and attendance allowance. [38949]

Mr. Denham: The Benefit Integrity Project aims to help ensure the correctness of awards of Disability Living Allowance (DLA) which evidence has shown to be vulnerable to change over time. Up-to-date information is being gathered from beneficiaries about their care and mobility needs, so that we can check that they are receiving the correct amount of DLA.

Since taking office last year, we have made a number of improvements to the way in which the Project operates. On 9 February, we introduced an extra safeguard, to help ensure that we get decisions right and restore confidence.

Following consultation between my right hon. Friend, the Secretary of State and my noble Friend, the Baroness Hollis and the disability organisations, we took the decision that people aged 65 or over would not be contacted as part of the Project. We will work with the disability organisations to look at ways of improving Project literature and staff training, at speeding up reviews and appeals and at extending the categories of people who need not be contacted directly as part of the Project.

This demonstrates our determination to be fair and to keep under review the way in which the Project operates. We are setting up a forum with organisations of and for disabled people to discuss how the gateways to DLA and Attendance Allowance (AA) can be improved. We are committed to the principle of providing special allowances to help with the extra costs of disability and we intend to maintain DLA and AA as universal, national benefits for those who meet the entitlement conditions.

Lone Parents

Mr. Webb: To ask the Secretary of State for Social Security, pursuant to her answer of 31 March 1998, *Official Report*, columns *485–86*, on lone parents, if he will list the common characteristics of the lone parents who will be worse off overall. [40256]

Mr. Keith Bradley: Less than 5 per cent. of lone parents will be worse off as a result of these changes, those who will be fall into three groups:

(a) Those who will not be entitled to the lone parent rate of Child Benefit and make a new claim for Income Support, assessed Housing Benefit or Council Tax Benefit, and who do not have a child under 11;

(b) Those who will not be entitled to the lone parent rate of Child Benefit and remain on maximum Family Credit/Working Families Tax Credit after all of the benefit changes;

(c) Those who will not be entitled to the lone parent rate of Child Benefit or any income related benefits.

Disability Living Allowance Advisory Board

Mr. Kirkwood: To ask the Secretary of State for Social Security how many Disability Living Allowance Advisory Board Small Board sessions *(a)* were held between 1 August 1997 and 31 March 1998 and *(b)* have been held since 1 April 1998. [39884]

Mr. Denham: The Disability Living Allowance Advisory Board held 62 small boards sessions between 1 August 1997 and 31 March 1998. One has been held since 1 April 1998.

Pensions Review

Mr. Rendel: To ask the Secretary of State for Social Security what plans she has to consult with *(a)* pensioners' organisations and *(b)* other interested groups and charities in advance of the publication of the Government's Pensions Review. [40392]

Mr. Denham: The first stage of the Pensions Review has involved an extensive public consultation exercise with pensioners' organisations, employers, employees, consumer groups, charities, the pensions industry and others. We have met representatives of many of these organisations since the review was launched last July and we are meeting the National Pensioners' Convention on a regular basis reflecting their central and specific role to ensure that the views of today's pensioners are at the heart of the review process.

We received over 2,000 responses to the first part of the review and over 200 responses to our proposals on stakeholder pensions. As set out in the Green Paper, "New Ambitions for our Country: A New Contract for Welfare" (Cm 3805), we will publish a Green Paper on pensions later this year. There will then be a period of further consultation before final proposals are developed.

FOREIGN AND COMMONWEALTH AFFAIRS

European Union Council

Mr. Quinn: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the forthcoming business in the Council of the European Union for May and the major European Union events for the next six months. [40785]

Mr. Doug Henderson: This calendar is primarily concerned with European Union matters, but certain other relevant events are also included. Events and dates quoted are based on the information available on the date of issue.

European calendar: May-October 1998

Date	*Venue*	*Council*
May 1998		
1–3	Brussels	Ecofin and Special EMU Council
5	Brussels	Political Committee (t.b.c.)
5–6	Belfast	EU Ministers Women's Forum (Informal)
7	Brussels	Industry Council
7–8	Barbados	ACP-EC Council
8	London	EU/Japan Troika Ministerial (t.b.c.)
8–9	London	G8 Foreign and Finance Ministerial
10–12	Newcastle	Meeting of Agriculture Ministers
11	Brussels	Energy Council (t.b.c.)
11	Brussels	Euro-Med Energy Ministerial
11–15	Strasbourg	European Parliament Plenary
12	Brussels	Political Committee
14	London	EU/Canada Summit
14–15	London	Innovative Partnerships for Competitiveness Conference
14–16	London	Conference on Culture and Employment
15–17	Birmingham	G8 Summit
18	London	EU/US Summit
18	Brussels	Development Council
18	Brussels	Internal Market Council
18–20	Northern Ireland	Regional Affairs Committee
19	London	Conference on Developing EU Public Health Policy
19	Brussels	Telecommunications Council
19	Brussels	Ecofin Council
20	London	EU Public Administration Ministers Meeting
25–26	Brussels	General Affairs Council
25–26	Brussels	Agriculture Council
27–28	Brussels	European Parliament Plenary
28	Brussels	Culture and Audiovisual Council
28–29	Brussels	Justice and Home Affairs Council
June 1998		
2	Luxembourg	Political Committee
3–4	Palermo	Ad-hoc meeting of Euro-Mediterranean Foreign Ministers
4	Luxembourg	Education and Social Affairs Council
5	Luxembourg	Ecofin Council
8	Luxembourg	Fisheries Council
8–9	Luxembourg	General Affairs Council
8–9	Glasgow	Regional Policy/Spatial Planning Ministers' informal
15–16	Cardiff	European Council
15–19	Strasbourg	European Parliament Plenary
16–17	Luxembourg	Environment Council
17	Luxembourg	Joint Environment and Transport Council
18	Luxembourg	Transport Council
19	Glasgow	Energy and Environment Conference
22	Luxembourg	Research Council
22–23	Luxembourg	Agriculture Council
25	Brussels	Presidency Biotechnology Round Table
29–30	Luxembourg	General Affairs Council (t.b.c.)
July 1998		
1–2	Brussels	European Parliament Plenary
6	Brussels	Ecofin Council
6–7	Luxembourg	Political Committee
8–10	Innsbruck	Employment/Social Affairs/Women (Informal)
13	Luxembourg	Political Committee
13–14	Luxembourg	General Affairs Council
17–19	Luxembourg	Environment Council (Informal)
20–21	Brussels	Agriculture Council
23	Luxembourg	Political Committee
27	Luxembourg	Budget Council
August 1998		
There are no Councils scheduled for this month.		
September 1998		
3	Brussels	Political Committee
5–6	Salzburg	Foreign Ministers (Informal)
7–8	Brussels	Special Committee on Agriculture
10–11	Brussels	Culture Council
15–16	Brussels	Transport Council (Informal)
21	New York	Political Committee
21–22	St. Wolfgang, Austria	Agriculture Council (Informal)
24	Brussels	Justice and Home Affairs
24	Brussels	Internal Market
25–27	Brussels	Ecofin Council (Informal)
28–29	Brussels	Agriculture Council
October 1998		
1–2	Luxembourg	Transport Council
2–3	Luxembourg	Industry/Research and Technology Council (Informal)
5	Luxembourg	Work and Social Affairs Council
5–6	Luxembourg	General Affairs Council
6	Luxembourg	Environment Council
12	Luxembourg	Ecofin Council
13	Luxembourg	Research Council

European calendar: May-October 1998

Date	*Venue*	*Council*
13	Luxembourg	Political Committee
16–17	Luxembourg	European Council
19–20	Luxembourg	Agriculture Council
22	Luxembourg	Fisheries Council
23–24	Luxembourg	Education Council (Informal)
26	Luxembourg	Political Committee
26–27	Luxembourg	General Affairs Council
28–29	Luxembourg	Transport Council
29–30	Luxembourg	Justice and Home Affairs Council

Christmas Island

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his letter of 8 January 1998, concerning Christmas Island, what action has been taken on the costs and technical issues involved in the clean-up of Christmas Island. [39312]

Mr. Fatchett: Since my letter of 8 January there has been a further round of correspondence between myself, the Parliamentary Under-Secretary of State for Defence and the Secretary of State for International Development. Officials have drawn up a three stage plan to identify the cost and technical issues that would be involved in any future clean-up of Christmas Island.

General Affairs Council

Mrs. McKenna: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will report on the outcome of the General Affairs Council held in Luxembourg on 27 and 28 April. [40535]

Mr. Doug Henderson: 1. The General Affairs council in Luxembourg on 27 April adopted the A points, and noted the resolutions, decisions and opinions adopted by the European Parliament in its session of 30 March—3 April. Copies of the documents listing the A points and resolutions will be placed in the House Libraries as soon as they become available.

2. The Council invited COREPER to continue work on preparations to the EU/Canada and EU/US Summits on 14 May and 18 May respectively, including taking forward an EU position on transatlantic trade and on US sanctions legislation.

3. The Presidency reported on progress on Agenda 2000 negotiations. Some Foreign Ministers commented on political aspects of the dossier, including the Own Resources system. The Council agreed how to handle European Parliament involvement.

4. The Council heard a report from Commissioner van den Broek on the Commission's exploratory contacts with Turkey on the elements of the proposed European strategy for Turkey identified at Luxembourg. It reaffirmed the importance it attaches to a successful Association Council and invited the Presidency and Commission to continue the necessary preparation on the European Strategy to that end. Most Member States noted the importance of releasing the financial protocol for Turkey to allow full implementation of the strategy.

5. The Presidency briefed partners on the recent visit of the Prime Minister to the Middle East. The Council welcomed the agreement of Prime Minister Netanyahu and President Arafat to meet US Secretary of State Albright in London on 4 May, as well as additional meetings of all three with the Presidency. These meetings represent an important opportunity to reinvigorate negotiations. The EU strongly urged the parties to approach the London meetings with the necessary determination to find a compromise along the lines put to them by the US. The EU is ready to help facilitate progress.

6. The Presidency briefed the Council on Northern Ireland and thanked EU partners for their constructive support, including through Objective One Funding.

7. On Kosovo, the Council expressed concern at the mounting violence and reiterated its calls for restraint from both sides. It called for an urgent dialogue between the parties without pre-conditions, and with international involvement, to help secure a lasting solution. The Council regretted that President Milosevic had thus far failed to promote a peaceful settlement and passed a Regulation implementing at the Community level those measures against the FRY agreed by common position on 19 March. The Council agreed that further measures against the FRY would be taken in the event of continued failure to address international concerns. But the Council also underlined a wish to develop relations between FRY and the rest of Europe in return for a real willingness to engage in constructive dialogue.

8. On Montenegro, the Council welcomed positive developments in political and economic reform, and agreed to allocate an initial sum of 3 million ECU to help the new Montenegrin Government meet outstanding social welfare commitments.

9. The Council also considered its regional approach to the development of contractual relations between the EU and countries in the Western Balkans region. It concluded that the Commission should look closely at the feasibility of improved trade relations with Albania, and how best to implement existing arrangements with the former Yugoslav Republic of Macedonia. It considered that the time was not yet right for further deepening of contractual links with FRY, Bosnia or Croatia; and called into question Croatia's continued eligibility for EU trade preferences unless it improved its performance against agreed EU conditionality.

10. The Presidency reported on preparations for the EU/Russia Summit, which will be held in Birmingham on 15 May.

11. The fourth EU/Slovakia and EU/Romania Association Councils took place on 28 April. The meetings took stock of the past year's developments in the enlargement process, and Slovakia and Romania's preparations for accession, notably their progress towards meeting the Copenhagen criteria for membership. The EU/Slovakia Council paid particular attention to the shortcomings in Slovakia's democratic institutions. The EU/Romania Council concentrated on economic reform.

12. The state of relations between the EU and Slovakia and Romania under the Europe Agreements was noted, particularly recent progress and problems in trade and agriculture.

13. The joint dinner on 27 April discussed the following issues: strengthening of democratic institutions, relations with neighbouring countries, including regional cooperation, and border management.

14. The tenth EC/Malta Association Council met on 28 April, and adopted a Joint Declaration on future relations, including a political commitment to establish a Free Trade Area. In the margins, two further Joint Declarations were adopted: on political dialogue and on Justice and Home Affairs cooperation. Over lunch, Member States discussed the Euro-Mediterranean partnership.

TREASURY

Individual Savings Account

Mr. Loughton: To ask the Chancellor of the Exchequer, pursuant to his answer of 5 February 1998, *Official Report*, column *775*, when he will place the results on the consultation exercise on the ISA Green Paper in the Library. [36873]

Mr. Geoffrey Robinson *[holding answer 30 March 1998]:* The Government will publish a summary of the consultation exercise on the individual savings account when draft regulations for the new account are issued for consultation.

Mr. Loughton: To ask the Chancellor of the Exchequer when he intends to respond to the question from the hon. Member for East Worthing and Shoreham tabled for answer on 30 March regarding placing the results of the ISA consultation exercise in the Library; and if he will ensure that the responses to the consultation paper are available to hon. Members before he makes further reference to them. [40394]

Mr. Geoffrey Robinson: I have done so.

Single Currency

Mr. Cash: To ask the Chancellor of the Exchequer if he will make a statement on the effect of transfers of European Communities moneys expressed in SEC (1998) 153 on the Single Currency information programme. [37772]

Mrs. Liddell: This transfer covers expenditure under two EC Budget lines relating to the Commission's information and communication policy: B3–300 (General information and communication work concerning the European Union) and B3–306 (Information programme for European citizens (Prince) Information activities in connection with specific policies), which covers expenditure on the Single Currency information programme.

When the 1998 EC budget was adopted, in respect of B3–306 the European Parliament entered 15 million ecu (about £10 million[1]) in commitment appropriations and 10 million ecu (about £6.7 million) in payment appropriations in the Reserve pending further information on the breakdown and coverage of resources between the two main information campaigns for 1998: "Euro, a single currency for Europe" and "Building Europe Together". The Commission attached detailed plans on both campaigns to the transfer proposal.

[1] Converted at the rate of £1=1.4998 ecu, which is the rate set for UK VAT and Fourth Resource contributions to the 1998 Community Budget.

Deutschmark

Mr. Mitchell: To ask the Chancellor of the Exchequer if he will list the rise or fall in *(a)* real and *(b)* nominal terms of the Deutschmark against (i) sterling and (ii) the US dollar for (1) each three month period in the four years up to the end of March 1998 and (2) in total for that period and indicating the balance of trade with Germany for each period. [39351]

Mrs. Liddell: The real and nominal movements in the sterling and dollar rates against the Deutschmark from 1994Q2 until 1998Q1 are given in the table alongside the quarterly UK balance of trade in goods with Germany. The effects of exchange rate movements on trade balances are difficult to isolate. However, recently the UK's deficit on trade in goods with Germany has been similar to its level four years earlier.

Percentage change on previous quarter

	DM/Sterling exchange rate		*DM/Dollar exchange rate*		*UK balance trade in goods with Germany (£ million)*[3]
	Nominal[1]	*Real*[2]	*Nominal*[1]	*Real*[2]	
1994Q2	−2.3	−2.9	−3.5	−3.8	−1,068
1994Q3	−3.2	−3.3	−6.0	−6.3	−1,346
1994Q4	1.2	0.8	−1.1	−0.9	−1,164
1995Q1	−4.4	−3.3	−4.3	−4.2	−1,282
1995Q2	−4.7	−3.0	−5.5	−4.7	−1,631
1995Q3	0.9	2.7	2.5	3.8	−1,447
1995Q4	−1.3	0.0	−0.6	0.3	−1,567
1996Q1	1.3	2.7	3.1	4.0	−1,774
1996Q2	3.1	4.0	3.7	5.1	−1,528
1996Q3	0.4	0.9	−1.6	−0.3	−1,484
1996Q4	7.2	8.7	2.3	3.8	−1,651
1997Q1	8	9.3	8.1	10.0	−1,407
1997Q2	3.7	4.9	3.5	4.8	−1,245
1997Q3	4.6	5.8	5.3	6.1	−1,353
1997Q4	−0.7	1.0	−2.7	−2.5	−1,372
1998Q1	2.7	4.7	3.5	3.6	n/a
Total change	16.8	22.5	5.6	8.8	—

[1] A minus sign denotes sterling/dollar depreciation.

[2] Nominal exchange rate changes adjusted for changes in relative consumer prices.

[3] A minus sign denotes a deficit.

Vitamin B Supplements

Mr. Tredinnick: To ask the Chancellor of the Exchequer how many people have died as a result of taking vitamin B supplements in each of the last 20 years. [39877]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. David Tredinnick, dated 30 April 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your recent Parliamentary question on how many people have died as a result of taking vitamin B supplements in each of the last 20 years.

Between 1993 and 1997 (the latest year for which data are available; 1997 data are provisional) there were no deaths in England and Wales certified as due in part or whole to taking vitamin B supplements.

Data for earlier years are only available at disproportionate cost.

Monetary Policy Committee

Mr. Mitchell: To ask the Chancellor of the Exchequer, pursuant to his answer of 1 April 1998, *Official Report*, column *555*, if the Monetary Policy Committee has responsibility to assess the use of alternative monetary instruments. [39745]

Mrs. Liddell: The Bank of England Bill gives the Monetary Policy Committee the responsibility for formulating monetary policy. This includes assessing the use of alternative monetary instruments which were reviewed at the meeting in August 1997.

LG Investment, South Wales

Mr. Alan Campbell: To ask the Chancellor of the Exchequer what was the exact date upon which Treasury approval was given for the LG investment in South Wales to receive regional selective assistance exceeding the cost per job ceiling for intermediate status areas. [39724]

Mrs. Liddell: The year was 1996. The exact date falls under advice given to the previous administration and so is confidential.

Economic and Monetary Union

Mr. Cash: To ask the Chancellor of the Exchequer what assessment he has made of the effect on national gross domestic product of the United Kingdom joining economic and monetary union. [39754]

Mrs. Liddell: The Chancellor has set five tests for determining if the economic case for joining the single currency is clear and unambiguous. The fifth test is whether joining EMU would promote higher growth and jobs. On 27 October 1997 the Treasury published "UK membership of the single currency: as assessment of the five economic tests". It concluded that, while joining EMU had the potential to enhance growth, the UK economy was not yet sufficiently converged and flexible to realise these potential benefits.

Dr. Kumar: To ask the Chancellor of the Exchequer what assistance his Department provides to business in preparation for the United Kingdom joining economic and monetary union. [39946]

Mrs. Liddell: HM Treasury intends to publish by the end of the year an outline national changeover plan setting out the steps which would be involved in joining the single currency. A wide range of activities is also under way, organised by the Euro Preparations Unit in HM Treasury, to help businesses prepare for the launch of the euro elsewhere in the European Union on 1 January 1999.

Economic and Finance Council

Sir Michael Spicer: To ask the Chancellor of the Exchequer, pursuant to his oral answer of 23 April 1998, *Official Report*, columns 953–55, if there was informal discussion about the Maastricht criteria at the Ecofin Conference in York. [40084]

Mrs. Liddell: The convergence criteria of the Maastricht Treaty were not discussed in the ECOFIN meeting at York.

Public Appointments

Jackie Ballard: To ask the Chancellor of the Exchequer how many and what percentage of the (i) paid and (ii) unpaid appointments which he has made to non-departmental public bodies since 1 May 1997 were women. [39407]

Mrs. Liddell *[holding answer 29 April 1998]:* The Government are committed to increasing the representation of women in public life. In support of this I have drawn up an Action Plan for increasing the number of women and ethnic minorities holding appointments in public bodies of the Chancellor's Departments and Agencies. The information for the NDPBs to which the Chancellor and other Treasury Ministers make appointments is as follows:

Number of appointments since 1 May 1997

	Paid	*Unpaid*
Number of women appointed	1	—
Women as percentage of appointments	20	—
Number of women appointed	—	4 appointments
	—	13 re-appointments
Women as percentage of appointments and re-appointments	—	23.5

Public Expenditure

Mr. Swinney: To ask the Chancellor of the Exchequer if he will provide a breakdown for each department, by accounting heading of the amount spent in the years 1995–96 and 1996–97 on central administration and associated expenditure as set out in Table 5.4 of Public Expenditure Statistical Analyses 1997–98 (Cm 3601, March 1997); and if he will identify for each department and each accounting heading the amount of such expenditure defined as identifiable and non-identifiable in terms of allocation by geographic area of the UK. [40095]

Mr. Darling *[holding answer 29 April 1998]:* The most recent data for central administration expenditure by department for 1995–96 and 1996–97 were published in table 5.7 of *Public Expenditure: Statistical Analyses 1998–99* (Cm 3901, published on 3 April 1998). Information regarding the breakdown of these departmental administration figures across specific functional categories is not held centrally.

The latest analysis of expenditure by country is presented in Section 7 of the same publication. For most government departments, nearly all central administration costs are included in the identifiable spending which has been apportioned between England, Scotland, Wales and Northern Ireland. However, where the expenditure which the administration supports is deemed to have been incurred for the benefit of the UK as a whole, central administration expenditure has not been allocated between countries, and is included in non-identifiable expenditure. With the exception of Scottish Office, Welsh Office and Northern Ireland Departments (whose administration expenditure is assigned to the relevant country), precise information as to the allocation by country of departmental administration costs, separate from the rest of a department's expenditure, is not collected and held centrally.

Office for National Statistics

Ms Lawrence: To ask the Chancellor of the Exchequer if he has agreed the business plan for the Office for National Statistics for 1998–99. [40660]

Mrs. Liddell: Yes. Copies of the plan, giving details of the performance targets I have set for 1998–99, have been placed in the Libraries of the House.

ATTORNEY-GENERAL

Crown Prosecution Service

32. **Mr. Laurence Robertson:** To ask the Attorney-General if he will make a statement on the reorganisation of the Crown Prosecution Service. [39143]

The Attorney-General: The Government are committed to restructuring the CPS into 42 Areas. Sir Iain Glidewell will make recommendation about the organisation necessary to support that structure. The review team have advised that this cannot take effect until 1 December 1998 at the earliest. Sir Iain is considering what further changes might be necessary to provide for the more effective and efficient prosecution of crime through local CPS prosecutors.

33. **Mr. Hawkins:** To ask the Attorney-General what plans he has to reduce bureaucracy in the Crown Prosecution Service. [39144]

The Attorney-General: Sir Iain Glidewell is examining the structure and organisation of the Crown Prosecution Service's procedures in his Review of the CPS. He will consider what changes, if any, are necessary to ensure that available resources are focused in the most efficient and effective manner on the prosecution process itself.

34. **Mr. Kidney:** To ask the Attorney-General what assessment he has made of the success of joint performance management as operated by the police and the Crown Prosecution Service. [39145]

The Attorney-General: Joint performance management is proving to be a valuable tool for enabling the police and the CPS jointly to monitor key aspects of their performance in order to identify problems and develop solutions.

Trade Union Recognition

35. **Mr. Canavan:** To ask the Attorney-General what advice has been sought from his Department on trade union recognition. [39146]

The Attorney-General: There is a long standing Convention, followed by successive Governments, that neither the substance of Law Officers' advice, nor the fact that they have been consulted is disclosed outside Government. I see no reason for departure from that Convention on this occasion.

Treasury Solicitor's Department

Mr. Gareth Thomas: To ask the Attorney-General if he will make a statement on the operation of the Treasury Solicitor's Department. [39137]

The Attorney-General: The Treasury Solicitor's Department provides legal services to a number of Government departments and publicly funded bodies in England and Wales. It recovers its costs by charging its clients. Since April 1996 it has operated as an Executive Agency and I have recently approved its performance targets for the financial year just started.

SCOTLAND

Empty Properties

Mr. Malcolm Bruce: To ask the Secretary of State for Scotland what is his estimate of the *(a)* annual cost and *(b)* total value of the empty properties owned by (i) his Department, (ii) his agencies and (iii) other public bodies for which he has responsibility, in (A) 1995–96, (B) 1996–97, (C) 1997–98 to date and (D) 1997–98 full year. [26642]

Mr. Dewar *[holding answer 5 February 1998]:* The information set out relates to empty properties owned by The Scottish Office and its Agencies. Information about empty properties owned by other public bodies is not held centrally.

The information is as follows:

£

	A (1995–96)		*B (1996–97)*		*C & D (1997–98)*	
	(a)	*(b)*	*(a)*	*(b)*	*(a)*	*(b)*
(i) Departments	1,678	371,139	88,482	1,205,806	108,825	544,639
(ii) Agencies	41,650	524,000	—	—	57,900	300,000
Total	43,328	895,139	88,482	1,205,806	166,725	844,639

Cairngorm Mountains

Mr. Green: To ask the Secretary of State for Scotland what plans he has for developing the Cairngorm mountains range; and if he will make a statement. [39457]

Mr. Macdonald: We are making available resources through Highlands and Islands Enterprise and Moray, Badenoch and Strathspey Enterprise to support a range of projects aimed at boosting tourism and economic development in Aviemore and the surrounding area. In addition, we provide support to the Cairngorms Partnership to promote the sustainable development of the Cairngorms area.

Electorates

Mr. Doran: To ask the Secretary of State for Scotland if he will list the electorates at 16 February for each ward of each local authority area in Scotland. [39752]

Mr. Dewar: The information requested is set out in the tables.

Electorate in each electoral ward: 16 February 1998

Electoral ward No.	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*
Name of council														
Aberdeen City	3,407	3,050	3,005	3,321	3,802	3,138	2,843	3,745	4,374	2,909	3,328	3,574	3,342	2,973
Aberdeenshire	3,926	3,435	3,470	3,522	4,059	4,046	4,180	4,298	4,180	3,333	3,291	3,484	3,491	3,298
Angus	3,388	3,042	3,291	3,470	3,440	3,477	3,657	2,926	3,417	3,276	3,274	3,631	3,658	3,508
Argyll and Bute	1,550	1,575	1,737	1,648	1,745	1,864	2,073	2,000	2,376	1,516	1,428	2,567	2,247	2,604
Clackmannanshire	3,334	2,973	2,834	2,949	2,921	2,734	3,205	3,273	3,629	3,310	3,175	2,660	—	—
Dumfries and Galloway	1,563	1,888	1,776	1,519	1,521	1,865	1,667	1,979	1,615	1,757	1,688	1,625	1,025	1,926
Dundee City	3,907	3,604	3,623	3,147	3,522	3,232	2,821	3,942	3,680	3,578	2,939	3,343	3,362	3,048
East Ayrshire	3,199	2,871	3,165	3,015	3,040	2,737	3,621	2,901	2,996	3,332	3,338	3,221	3,517	2,896
East Dunbartonshire	3,352	3,520	3,631	3,472	3,417	3,122	3,112	3,081	3,228	3,035	3,282	3,851	2,980	3,428
East Lothian	4,090	3,572	4,209	3,910	3,614	3,808	4,037	4,095	3,950	4,083	3,536	4,029	3,625	3,893
East Renfrewshire	3,141	3,237	3,244	3,160	3,469	3,138	3,388	3,619	3,094	3,320	3,467	3,485	3,260	3,494
Edinburgh, City of	6,295	6,304	5,879	6,836	6,551	6,091	5,500	5,773	5,543	5,958	6,252	6,263	6,112	5,971
Eilean Siar (formerly Western Isles)	672	709	635	757	752	608	740	739	978	846	912	803	834	874
Falkirk	3,522	2,379	2,824	2,972	3,037	2,942	2,939	2,757	2,810	2,933	3,331	2,743	3,039	3,081
Fife	3,102	2,748	3,321	3,056	2,792	3,489	2,758	2,703	2,817	3,437	3,142	2,225	2,780	2,596
Glasgow City	5,592	5,627	5,303	6,301	5,648	6,242	6,141	5,770	6,413	5,985	5,829	6,308	7,437	6,615
Highland	3,366	2,768	2,979	2,640	2,347	2,138	2,422	1,969	1,824	1,338	1,148	1,669	1,201	1,363
Inverclyde	4,346	3,487	3,473	3,359	3,498	3,057	3,304	1,847	4,179	3,162	3,344	3,223	3,379	3,364
Midlothian	4,946	4,103	4,442	3,858	3,953	3,642	3,968	4,455	4,028	4,480	4,147	3,794	4,038	4,101
Moray	4,033	3,707	3,701	3,969	3,865	4,145	3,920	3,739	3,389	3,708	3,776	3,552	3,460	3,648
North Ayrshire	3,253	3,348	3,068	3,007	2,925	3,456	2,894	3,636	3,626	3,994	3,418	3,257	3,502	3,659
North Lanarkshire	3,589	3,493	3,476	3,217	4,075	3,226	3,428	3,878	3,676	3,344	3,488	3,606	3,342	3,642
Orkney	653	553	582	776	568	597	587	644	574	528	578	668	636	718
Perth and Kinross	3,460	3,035	3,676	3,534	3,432	3,779	3,848	2,806	3,255	3,217	3,663	3,211	3,575	3,349
Renfrewshire	3,682	3,173	2,731	3,758	3,773	3,095	3,354	3,759	3,627	3,252	3,609	4,373	4,105	3,593
Scottish Borders	1,614	1,428	1,812	1,692	1,484	1,384	1,811	1,619	1,443	1,634	1,523	1,513	1,697	1,311
Shetland	651	670	634	600	637	731	678	580	583	597	328	575	600	718
South Ayrshire	3,840	3,972	3,934	3,801	3,622	3,614	3,542	3,752	3,708	3,878	3,845	3,946	3,647	3,565
South Lanarkshire	3,673	3,510	3,138	3,257	2,291	2,025	1,692	2,552	2,670	2,823	2,140	3,403	3,642	3,361
Stirling	3,216	3,169	3,030	2,516	3,044	3,086	2,557	2,836	3,082	2,835	3,087	2,751	2,921	3,075
West Dunbartonshire	3,508	3,822	3,325	3,496	3,322	2,841	3,135	2,839	3,017	2,817	3,449	3,320	3,306	3,494
West Lothian	5,146	5,088	4,230	4,785	4,469	4,588	4,852	4,229	4,219	4,013	4,217	4,892	4,538	4,724

Electorate in each electoral ward: 16 February 1998

Electoral ward No.	*15*	*16*	*17*	*18*	*19*	*20*	*21*	*22*	*23*	*24*	*25*	*26*	*27*	*28*
Name of council														
Aberdeen City	2,919	3,479	3,436	3,482	3,592	3,495	3,261	3,526	3,808	3,608	3,259	3,278	2,983	3,536
Aberdeenshire	3,991	3,706	3,710	3,634	3,556	3,041	4,786	3,914	3,963	4,102	3,669	3,576	3,582	4,202
Angus	3,284	3,010	3,387	3,440	3,733	3,699	3,805	3,692	2,169	2,423	3,627	3,212	—	—
Argyll and Bute	2,175	2,253	733	1,554	1,461	1,707	1,376	2,077	2,248	1,876	1,762	2,048	2,071	3,259
Clackmannanshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dumfries and Galloway	1,492	1,652	1,473	1,863	1,448	1,756	1,594	1,575	1,562	1,542	1,715	1,511	1,868	2,050
Dundee City	3,083	2,966	1,518	3,176	3,222	3,158	2,753	2,985	3,419	3,405	3,236	3,263	3,245	3,055
East Ayrshire	3,261	3,165	2,940	2,884	2,771	3,224	3,330	2,775	3,312	3,160	3,083	3,189	2,804	3,073
East Dunbartonshire	3,785	3,111	3,079	2,675	2,975	3,143	3,535	3,096	3,155	3,200	3,143	3,976	—	—
East Lothian	3,887	3,895	3,715	4,500	—	—	—	—	—	—	—	—	—	—
East Renfrewshire	3,295	4,178	3,396	3,671	3,647	3,318	—	—	—	—	—	—	—	—
Edinburgh, City of	6,356	6,034	6,446	6,374	6,432	6,239	5,723	6,556	6,883	6,392	5,170	5,963	6,402	6,054
Eilean Siar (formerly Western Isles)	773	985	897	824	782	820	615	556	554	616	727	942	731	847
Falkirk	2,702	3,454	3,109	2,896	3,066	2,712	2,679	3,350	3,257	2,681	3,389	3,811	3,147	2,893
Fife	3,352	2,949	3,327	2,841	2,411	2,882	2,141	3,631	3,743	1,551	2,901	2,776	2,878	3,053
Glasgow City	7,074	7,275	6,284	7,248	6,228	5,551	6,031	5,468	5,354	5,064	5,746	5,540	5,527	5,165
Highland	2,225	1,678	1,351	1,745	1,536	1,773	1,549	3,675	3,517	3,313	3,439	3,493	2,266	3,656
Inverclyde	3,201	3,842	3,645	3,239	2,922	3,692	—	—	—	—	—	—	—	—
Midlothian	4,308	—	—	—	—	—	—	—	—	—	—	—	—	—
Moray	3,221	2,983	3,224	3,009	—	—	—	—	—	—	—	—	—	—
North Ayrshire	3,684	3,774	3,625	3,004	3,262	3,160	3,355	3,941	3,162	3,705	3,528	4,517	3,937	4,660
North Lanarkshire	3,524	3,414	3,524	3,812	3,487	3,080	4,202	4,007	3,879	3,810	4,051	3,719	3,731	3,570
Orkney	697	512	611	575	601	641	560	460	444	207	248	398	498	545
Perth and Kinross	3,704	2,623	3,179	4,111	3,017	1,518	2,836	3,083	2,925	3,147	3,988	3,125	3,206	3,222
Renfrewshire	3,402	3,379	3,401	3,088	3,303	3,256	3,563	3,699	3,584	3,521	3,900	3,329	3,434	3,003
Scottish Borders	1,858	1,421	1,601	1,798	1,938	1,788	1,597	1,156	1,653	1,579	1,448	1,455	1,607	1,759
Shetland	685	430	1,007	858	834	673	566	856	769	609	594	642	—	—
South Ayrshire	3,463	4,012	3,897	3,784	3,767	3,877	3,719	3,596	2,850	2,957	2,794	—	—	—
South Lanarkshire	2,788	3,140	3,024	3,073	3,136	3,130	2,966	3,183	3,237	3,555	3,246	3,034	3,007	3,400
Stirling	3,299	2,862	3,553	2,021	3,258	2,887	2,896	3,041	—	—	—	—	—	—
West Dunbartonshire	3,783	3,763	2,518	3,680	3,347	3,203	3,450	3,237	—	—	—	—	—	—
West Lothian	4,338	3,917	3,745	4,231	4,476	4,180	3,875	3,886	3,618	3,680	4,731	4,146	3,615	—

Electorate in each electoral ward: 16 February 1998

Electoral ward No	*29*	*30*	*31*	*32*	*33*	*34*	*35*	*36*	*37*	*38*	*39*	*40*	*41*	*42*
Name of council														
Aberdeen City	3,345	3,441	3,068	3,007	4,946	3,218	3,726	3,514	3,956	2,925	3,379	2,908	3,420	3,210
Aberdeenshire	4,038	3,962	4,165	3,705	3,734	4,082	2,304	2,373	2,779	4,137	3,284	3,780	4,000	3,735
Angus	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Argyll and Bute	3,259	3,181	3,613	3,261	3,339	—	—	—	—	—	—	—	—	—
Clackmannanshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dumfries and Galloway	1,679	1,743	1,708	1,761	1,544	1,713	1,432	2,027	1,757	1,659	1,500	1,968	1,999	1,704
Dundee City	3,105	2,336	3,157	3,129	3,419	3,515	3,215	3,707	—	—	—	—	—	—
East Ayrshire	3,872	3,608	—	—	—	—	—	—	—	—	—	—	—	—
East Dunbartonshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
East Lothian	—	—	—	—	—	—	—	—	—	—	—	—	—	—
East Renfrewshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Edinburgh, City of	6,475	6,380	6,171	6,925	7,162	6,092	6,458	5,726	6,541	5,857	5,927	6,005	6,706	5,546
Eilean Siar (formerly Western Isles)	534	477	—	—	—	—	—	—	—	—	—	—	—	—
Falkirk	3,201	3,104	3,913	3,159	3,309	3,322	3,350	3,243	—	—	—	—	—	—
Fife	2,777	3,168	3,540	3,584	2,672	2,795	2,447	2,746	3,316	3,151	2,757	2,898	2,803	3,099
Glasgow City	5,937	5,739	6,159	6,549	5,514	5,921	6,432	6,011	5,250	5,541	5,009	4,624	5,550	4,740
Highland	4,053	3,632	3,065	1,324	2,432	1,300	2,016	1,761	1,728	1,306	1,695	1,920	3,047	3,058
Inverclyde	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Midlothian	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Moray	—	—	—	—	—	—	—	—	—	—	—	—	—	—
North Ayrshire	4,878	3,826	—	—	—	—	—	—	—	—	—	—	—	—
North Lanarkshire	3,561	4,060	3,381	3,844	3,609	4,093	3,485	3,778	3,367	3,662	3,381	3,150	3,841	4,070
Orkney	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Perth and Kinross	3,163	4,425	3,823	2,234	—	—	—	—	—	—	—	—	—	—
Renfrewshire	3,246	3,359	3,831	4,008	3,224	2,759	3,690	4,176	3,288	3,227	3,638	3,219	—	—
Scottish Borders	2,219	2,307	1,698	1,674	1,446	1,230	1,500	1,452	1,531	1,504	1,593	1,537	1,628	1,581
Shetland	—	—	—	—	—	—	—	—	—	—	—	—	—	—
South Ayrshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
South Lanarkshire	3,036	3,177	3,567	3,938	4,252	3,095	3,718	3,705	3,108	2,850	3,301	3,473	3,084	3,059
Stirling	—	—	—	—	—	—	—	—	—	—	—	—	—	—
West Dunbartonshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
West Lothian	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Electorate in each electoral ward: 16 February 1998

Electoral ward No.	*43*	*44*	*45*	*46*	*47*	*48*	*49*	*50*	*51*	*52*	*53*	*54*	*55*	*56*
Name of council														
Aberdeen City	3,436	3,354	3,304	3,018	3,367	3,211	3,396	4,058	—	—	—	—	—	—
Aberdeenshire	3,855	2,887	3,215	3,938	3,218	—	—	—	—	—	—	—	—	—
Angus	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Argyll and Bute	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Clackmannanshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dumfries and Galloway	1,644	1,952	1,766	1,494	1,745	1,869	1,470	1,493	1,264	2,153	1,735	1,267	1,329	1,658
Dundee City	—	—	—	—	—	—	—	—	—	—	—	—	—	—
East Ayrshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
East Dunbartonshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
East Lothian	—	—	—	—	—	—	—	—	—	—	—	—	—	—
East Renfrewshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Edinburgh, City of	5,952	6,240	6,864	6,269	6,749	7,007	6,304	6,388	6,454	6,099	6,169	5,915	6,264	5,846
Eilean Siar (formerly Western Isles)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Falkirk	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fife	2,858	2,829	2,904	3,336	2,849	2,620	2,657	2,650	3,218	2,941	3,000	3,083	2,910	2,825
Glasgow City	5,156	4,919	6,010	6,940	6,262	6,505	4,529	4,966	4,946	5,394	5,024	5,821	5,538	6,056
Highland	3,225	2,453	3,179	2,854	2,661	3,045	2,949	2,552	4,457	3,759	3,435	1,971	1,794	1,759
Inverclyde	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Midlothian	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Moray	—	—	—	—	—	—	—	—	—	—	—	—	—	—
North Ayrshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
North Lanarkshire	4,251	3,900	3,750	4,309	3,702	4,505	4,660	4,229	3,301	3,587	3,058	3,103	3,067	3,584
Orkney	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Perth and Kinross	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Renfrewshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Scottish Borders	1,487	1,477	1,391	1,452	918	1,009	980	1,023	897	1,182	1,140	1,118	886	1,480
Shetland	—	—	—	—	—	—	—	—	—	—	—	—	—	—
South Ayrshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
South Lanarkshire	3,272	3,166	3,354	2,962	2,868	3,369	2,980	3,034	2,971	3,066	3,248	3,097	3,216	3,480
Stirling	—	—	—	—	—	—	—	—	—	—	—	—	—	—
West Dunbartonshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
West Lothian	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Electorate in each electoral ward:
16 February 1998

Electoral ward No.	*57*	*58*	*59*	*60*	*61*	*62*	*63*	*64*	*65*	*66*	*67*	*68*	*69*	*70*
Name of council														
Aberdeen City	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Aberdeenshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Angus	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Argyll and Bute	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Clackmannanshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dumfries and Galloway	1,582	1,803	1,504	1,663	1,810	1,845	1,441	1,463	2,029	1,472	1,891	1,548	1,520	1,800
Dundee City	—	—	—	—	—	—	—	—	—	—	—	—	—	—
East Ayrshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
East Dunbartonshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
East Lothian	—	—	—	—	—	—	—	—	—	—	—	—	—	—
East Renfrewshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Edinburgh, City of	6,301	5,678	—	—	—	—	—	—	—	—	—	—	—	—
Eilean Siar (formerly Western Isles)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Falkirk	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fife	2,795	2,808	2,862	2,743	3,133	3,016	3,077	2,578	2,809	3,230	2,987	2,658	2,940	2,601
Glasgow City	5,669	5,757	6,806	5,301	4,643	6,507	5,371	4,708	4,072	5,138	6,134	6,268	6,042	5,576
Highland	1,372	1,890	1,204	1,732	1,998	1,761	920	1,847	1,454	1,667	1,727	2,113	2,136	1,646
Inverclyde	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Midlothian	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Moray	—	—	—	—	—	—	—	—	—	—	—	—	—	—
North Ayrshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
North Lanarkshire	3,859	3,672	3,692	3,037	2,857	2,801	3,240	3,102	3,241	3,371	3,282	3,319	2,806	—
Orkney	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Perth and Kinross	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Renfrewshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Scottish Borders	1,079	1,185	—	—	—	—	—	—	—	—	—	—	—	—
Shetland	—	—	—	—	—	—	—	—	—	—	—	—	—	—
South Ayrshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
South Lanarkshire	3,606	3,669	3,660	3,197	4,311	3,402	3,663	3,121	3,215	3,741	3,638	2,921	2,856	3,816
Stirling	—	—	—	—	—	—	—	—	—	—	—	—	—	—
West Dunbartonshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
West Lothian	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Electorate in each electoral ward:
16 February 1998

Electoral ward No.	*71*	*72*	*73*	*74*	*75*	*76*	*77*	*78*	*79*	*80*	*81*	*82*	*83*	*84*
Name of council														
Aberdeen City	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Aberdeenshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Angus	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Argyll and Bute	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Clackmannanshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dumfries and Galloway	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dundee City	—	—	—	—	—	—	—	—	—	—	—	—	—	—
East Ayrshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
East Dunbartonshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
East Lothian	—	—	—	—	—	—	—	—	—	—	—	—	—	—
East Renfrewshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Edinburgh, City of	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Eilean Siar (formerly Western Isles)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Falkirk	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fife	3,136	3,932	3,024	2,599	3,822	3,296	3,783	2,807	3,161	2,697	2,990	3,148	3,630	3,478
Glasgow City	6,408	5,384	4,979	5,056	6,289	6,840	5,287	5,664	4,574	5,195	4,425	4,570	3,606	—
Highland	2,248	2,348	—	—	—	—	—	—	—	—	—	—	—	—
Inverclyde	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Midlothian	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Moray	—	—	—	—	—	—	—	—	—	—	—	—	—	—
North Ayrshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
North Lanarkshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Orkney	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Perth and Kinross	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Renfrewshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Scottish Borders	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shetland	—	—	—	—	—	—	—	—	—	—	—	—	—	—
South Ayrshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
South Lanarkshire	2,636	2,726	4,164	2,984	—	—	—	—	—	—	—	—	—	—
Stirling	—	—	—	—	—	—	—	—	—	—	—	—	—	—
West Dunbartonshire	—	—	—	—	—	—	—	—	—	—	—	—	—	—
West Lothian	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Electorate in each electoral ward:
16 February 1998

Electoral ward No.	*85*	*86*	*87*	*88*	*89*	*90*	*91*	*92*
Name of council								
Aberdeen City	—	—	—	—	—	—	—	—
Aberdeenshire	—	—	—	—	—	—	—	—
Angus	—	—	—	—	—	—	—	—
Argyll and Bute	—	—	—	—	—	—	—	—

Electorate in each electoral ward: 16 February 1998

Electoral ward No.	*85*	*86*	*87*	*88*	*89*	*90*	*91*	*92*
Clackmannanshire	—	—	—	—	—	—	—	—
Dumfries and Galloway	—	—	—	—	—	—	—	—
Dundee City	—	—	—	—	—	—	—	—
East Ayrshire	—	—	—	—	—	—	—	
East Dunbartonshire	—	—	—	—	—	—	—	—
East Lothian	—	—	—	—	—	—	—	—
East Renfrewshire	—	—	—	—	—	—	—	—
Edinburgh, City of	—	—	—	—	—	—	—	—
Eilean Siar (formerly Western Isles)	—	—	—	—	—	—	—	—
Falkirk	—	—	—	—	—	—	—	—
Fife	3,314	3,316	3,507	3,161	3,228	3,853	3,565	3,064
Glasgow City	—	—	—	—	—	—	—	—
Highland	—	—	—	—	—	—	—	—
Inverclyde	—	—	—	—	—	—	—	—
Midlothian	—	—	—	—	—	—	—	—
Moray	—	—	—	—	—	—	—	—
North Ayrshire	—	—	—	—	—	—	—	—
North Lanarkshire	—	—	—	—	—	—	—	—
Orkney	—	—	—	—	—	—	—	—
Perth and Kinross	—	—	—	—	—	—	—	—
Renfrewshire	—	—	—	—	—	—	—	—
Scottish Borders	—	—	—	—	—	—	—	—
Shetland	—	—	—	—	—	—	—	—
South Ayrshire	—	—	—	—	—	—	—	—
South Lanarkshire	—	—	—	—	—	—	—	—
Stirling	—	—	—	—	—	—	—	—
West Dunbartonshire	—	—	—	—	—	—	—	—
West Lothian	—	—	—	—	—	—	—	—

Mr. Doran: To ask the Secretary of State for Scotland if he will list the size of the electorates as of 16 February for each *(a)* parliamentary constituency and *(b)* local government area in Scotland. [39751]

Mr. Dewar: The information is set out in the tables.

	Electors
Parliamentary Constituency	
Aberdeen Central	53,713
Aberdeen, North	55,009
Aberdeen, South	60,968
Airdrie and Shotts	58,534
Angus	60,427
Argyll and Bute	50,271
Ayr	57,000
Banff and Buchan	58,949
Caithness, Sutherland and Easter Ross	41,902
Carrick, Cumnock and Doon Valley	66,588
Central Fife	59,123
Clydebank and Milngavie	52,963
Clydesdale	64,548
Coatbridge and Chryston	52,501
Cumbernauld and Kilsyth	49,201
Cunninghame, North	56,374
Cunninghame, South	50,727
Dumbarton	57,013
Dumfries	63,513
Dundee, East	58,629
Dundee, West	56,937
Dunfermline, East	52,200
Dunfermline, West	53,361
East Kilbride	66,479
East Lothian	58,577
Eastwood	68,021
Edinburgh Central	64,051
Edinburgh, East and Musselburgh	60,364
Edinburgh, North and Leith	61,786
Edinburgh Pentlands	60,729
Edinburgh, South	63,775
Edinburgh, West	61,988
Falkirk, East	57,629
Falkirk, West	53,427
Galloway and Upper Nithsdale	53,406
Glasgow Anniesland	53,397
Glasgow Baillieston	49,062
Glasgow Cathcart	50,429
Glasgow Govan	50,870
Glasgow Kelvin	57,058
Glasgow Maryhill	53,506
Glasgow Pollok	48,303
Glasgow Rutherglen	51,059
Glasgow Shettleston	48,209
Glasgow Springburn	53,427
Gordon	59,621
Greenock and Inverclyde	49,400
Hamilton North and Bellshill	54,403
Hamilton, South	47,145
Inverness East, Nairn and Lochaber	66,531
Kilmarnock and Loudoun	62,171
Kircaldy	52,079
Linlithgow	54,728
Livingston	61,800
Midlothian	48,772
Moray	58,845
Motherwell and Wishaw	53,004
North East Fife	59,820
North Tayside	62,230
Ochil	57,715
Orkney and Shetland	32,761
Paisley, North	49,915
Paisley, South	54,436
Perth	61,457
Ross, Skye and Inverness, West	56,448
Roxburgh and Berwickshire	47,907
Stirling	53,452
Strathkelvin and Bearsden	64,016

	Electors
Tweeddale, Ettrick and Lauderdale	51,811
West Aberdeenshire and Kincardine	60,270
West Renfrewshire	53,223
Western Isles	22,539
Total	3,992,502
Local authority	
Aberdeen City	171,445
Aberdeenshire	173,140
Angus	87,049
Argyll and Bute	70,350
Clackmannanshire	37,049
Dumfries and Galloway	117,126
Dundee City	115,890
East Ayrshire	94,477
East Dunbartonshire	85,476
East Lothian	70,592
East Renfrewshire	68,116
Edinburgh, City of	364,612
Eilean Siar	22,565
Falkirk	111,114
Fife	277,321
Glasgow, City of	474,620
Highland	165,308
Inverclyde	67,636
Midlothian	62,370
Moray	65,243
North Ayrshire	107,242
North Lanarkshire	248,028
Orkney Islands	15,697
Perth and Kinross	105,488
Renfrewshire	139,662
Scottish Borders	86,431
Shetland Islands	17,130
South Ayrshire	91,579
South Lanarkshire	237,165
Stirling	66,415
West Dunbartonshire	72,701
West Lothian	116,683
Total	4,005,720

Scottish Fisheries Protection Agency

Mr. David Stewart: To ask the Secretary of State for Scotland if he will make a statement about performance targets for the Scottish Fisheries Protection Agency for 1998–99. [40809]

Mr. Dewar: For the financial year 1998–99 I have set the following targets:

Aerial surveillance

per cent. of hours flown on task—86 per cent.

cost per flying hour on task—£922

Marine surveillance

utilisation of available patrol days—97 per cent.

cost per effective patrol day—£3,432

Sea Fisheries Inspectorate

cost per catch inspection—£72

landing declarations checked against actual catches—45 per cent.

82 per cent. of cases for prosecution to be reported within 6 weeks of offence being detected and 95 per cent. within 8 weeks.

Number of cases where court proceedings are taken as percentage of offences reported to prosecuting authorities—83 per cent.

In order to ensure that the Scottish Fisheries Protection Agency uses its resources efficiently, I have set it a target to achieve cash releasing efficiency gains of 2.0% during 1998–99.

The Chief Executive will be directly accountable to me for the achievement of these targets, which will be reported in the Agency's Annual Report.

National Galleries

Mr. Dalyell: To ask the Secretary of State for Scotland (1) if he will place in the Library his response to the letter written to him by Helen Stevens, Negotiating Officer for Scotland of IPMS, in relation to the appointment of the Deputy Keeper of the Scottish National Portrait Gallery; [39372]

(2) if he will set up a review of the means by which appointments are made in the National Galleries of Scotland. [39373]

Mr. Galbraith: I am arranging for a copy of the reply which I issued today to be placed in the Library. No appointment has been made to the position of Deputy Keeper at the Scottish National Portrait Gallery, but a new Assistant Keeper took up post in December 1997.

The National Galleries of Scotland Act 1906 provides that the staff of the National Galleries of Scotland (NGS) are not to be regarded as Crown servants and that responsibility for the appointment of employees lies with the Board of Trustees. In addition, the appointment of the Director requires the approval of the Secretary of State.

The staff are appointed on terms and conditions determined by the Board, subject to the approval of the Secretary of State. Under the terms and conditions of NGS staff, employment by the Board is subject to the Civil Service Management Code which incorporates appropriate procedures for appointing staff. It is the responsibility of the Board to secure the proper application of those procedures and I therefore do not consider that a review is necessary.

Soft Fruit Sector

Mr. Swinney: To ask the Secretary of State for Scotland when he last met representatives of the soft fruit sector to discuss market conditions; and if he will make a statement. [39133]

Mr. Macdonald: My right hon. Friend met representatives of the farming industry earlier this year when there was discussion of market conditions generally, including the soft fruit sector.

TRADE AND INDUSTRY

Nuclear Materials

Mr. Llew Smith: To ask the President of the Board of Trade what matters relating to the smuggling of nuclear materials were raised at the recent G8 Energy Summit in Moscow; and what decisions were taken on this matter. [38725]

Mr. Battle: The recent formal meeting of G8 Energy Ministers focused on issues relating to the future of world energy production. The issue of smuggling of nuclear materials was not raised. The detailed communique issued after the meeting can be found on my Department's website at http://dti.gov.uk/index html.

Dounreay

Mr. Llew Smith: To ask the President of the Board of Trade if she will estimate the total cost of the sodium treatment facilities built at Dounreay; for how many years they are expected to remain in operation; and what potential exists for selling the technology abroad. [39675]

Mr. Battle: I am advised by the UKAEA that the cost of design, manufacture, installation, construction, commissioning and decommissioning of the liquid metal disposal facility to treat the sodium from the Prototype Fast Reactor (PFR) at Dounreay will be approximately £17 million. It will operate from 1999 to 2001. The facility uses licensed French technology and there is therefore no potential for the UK to sell the technology abroad. As several countries (eg. USA, France, Russia) have sodium cooled reactors which are undergoing decommissioning, there is potential to sell British experience in sodium disposal operations.

The Dounreay Fast Reactor (DFR) used a sodium potassium alloy (NaK) as a coolant. The total cost of the plant to dispose of this material will be approximately £22 million and disposal will be complete by 2003. Internationally, fast reactors use sodium as a coolant so there is not likely to be significant overseas interest in this technology.

AEA Technology have constructed a sodium disposal plant at Dounreay for the disposal of sodium from Germany. As this is a commercial venture the details of cost and programme are confidential to AEA Technology.

Power Station (Anglesey)

Mr. Stunell: To ask the President of the Board of Trade what plans she has to approve the building of a 400 mw CCGT power station in Anglesey; and if she will make a statement. [39736]

Mr. Battle: An application for a 400 MW CCGT power station at Porth yr Ogof, Wylfa, is currently with the Department. Our general approach to decisions on current applications is as set out in the reply given by my right hon. Friend the President of the Board of Trade to my hon. Friend the Member for Rugby and Kenilworth (Mr. King) on 22 December 1997, *Official Report*, columns *519–20*.

Miners

Mr. Rowlands: To ask the President of the Board of Trade what estimate she has made of the number of disabled miners who have been assessed to date for PDD12 emphysema and chronic bronchitis; and how many of these were aged (i) 50 to 55, (ii) 55 to 60, (iii) 60 to 65, (iv) 65 to 70 and (v) over the age of 70 years. [39856]

Mr. Battle: I understand from the Analytical Services Division of the Department of Social Security that at 5 April 1997 the number of disabled miners with PD D12 assessments were 11,463. Only 4,386 of these have been assessed by age band and these break down as follows:

Age band	*Number assessed*
Under 50	10
50–55	43
55–60	280
60–65	505
65–70	682
Over 70	2,866

There have been a further 7,077 successful claimants following relaxation of the qualifying criteria for PD D12 in April 1997 but, at present, the DSS have no age analysis available.

We are continuing to offer interim payments of £2,000 to those miners seeking compensation for emphysema who are also in receipt of PD D12 benefit. Such offers are being made to those in the 80+ age band as a priority on receipt of PD D12 certificates from claimants' solicitors. However, we are also making offers to claimants in age brackets below 80+ (in descending order) wherever practicable, to ensure that we reach our minimum target of 5,000 offers by the end of June.

Mr. Rowlands: To ask the President of the Board of Trade what estimate her Department has made of the number of miners or their widows who will be excluded from compensation for respiratory diseases by the Limitation Act 1939 in *(a)* Wales, *(b)* England and *(c)* Scotland. [39855]

Mr. Battle: As part of our proposed scheme for handling respiratory disease claims, we have made it clear that no attempt will be made to use the limitation defence (other than under the 1939 Act as provided by the judgment) where emphysema is established in the claim, including claims from widows. However, we intend to take limitation arguments, where appropriate, in respiratory disease claims where emphysema is not established. Our proposals are currently being discussed with the Solicitors' Group representing the majority of claimants.

We are, at present, unable to estimate the total number of claims we are likely to receive, either from ex-miners or widows, or the number of claims for each specific condition. I am therefore unable to provide my hon. Friend with the regional breakdown requested.

Academy of Invention

Dr. Gibson: To ask the President of the Board of Trade if he will take steps to investigate the creation of an Academy of Invention. [39948]

Mr. Battle: I know, in addition to the advice currently available from the Institute of Patentees and Inventors and the Intellectual Property Development Confederation, there are a number of proposals in existence to provide more substantive help to lone inventors.

I have received a number of representations about the creation of an Academy of Inventors and will be discussing it with the leading proposers in the near future.

UKAEA Constabulary

Mr. Matthew Taylor: To ask the President of the Board of Trade what reviews of manpower of the UKAEA

Constabulary have been undertaken in 1997–98 and with what outcome; and what manpower reviews of the UKAEA Constabulary are planned for the future. [40215]

Mr. Battle: The Police Authority for the UKAEA Constabulary has a duty to consider all issues relating to the Constabulary. Following consultation with the Chief Constable, the Authority considers and formulates an agreed view of the Constabulary's objectives. One such objective (ongoing) is to ensure that the Constabulary has the right number of people at the right places to carry out their functions effectively and efficiently. To achieve this goal there is frequent liaison between the Chief Constable, Operational Unit Commanders, site management, and the Director of Civil Nuclear Security. The conclusion of these discussions and any disagreements are raised at the full meetings of the Police Authority.

Following discussions in the last year about two sites in particular, an increase in staff at both sites was agreed on the advice of the Chief Constable. Manpower will continue to be kept under review at all sites in the coming year, during which a full inspection by Her Majesty's inspectorate of Constabulary is also likely.

Mr. Matthew Taylor: To ask the President of the Board of Trade what guidance Ministers have issued to the UKAEA on policing levels and security at nuclear installations; and if he will place a copy of that guidance in the Library. [40216]

Mr. Battle: Requirements on policing levels and security at nuclear installations are issued to UKAEA by the Directorate of Civil Nuclear Security. The minimum standards laid down by the Directorate take full account of the United Kingdom's international obligations, and the Government's views on the appropriate levels of security which should be applied by the industry. They are by necessity classified and it would not be appropriate, therefore, for them to be placed in the Library.

Mr. Matthew Taylor: To ask the President of the Board of Trade what is the Government's policy in relation to the security and policing levels at those nuclear establishments policed by the UKAEA Constabulary; and if she will make a statement. [40217]

Mr. Battle: The Government's policy is that high standards of protection are to be maintained by all nuclear establishments, including those policed by the UKAEA Constabulary, even when the threat is assessed as low, in order to deter potential terrorists and to guard against any increase in the threat.

Mr. Mackinlay: To ask the President of the Board of Trade what additional emoluments were given to the Chief Constable of the Atomic Energy Authority consequent on his resignation. [40420]

Mr. Battle: The Chief Constable resigned from UKAEA in January 1998, giving three months notice, and will receive his normal salary and benefits under his contract of employment. He has been treated on exactly the same basis as would any employee who resigns from employment with UKAEA.

No further payments will be made following his departure on 1 May 1998. However, if he chooses to preserve his accrued pension benefits in the UKAEA Pension Scheme, under the rules of that Scheme these would be payable at his normal retirement age of 60—ie in 2003.

Shipbuilding Intervention Fund

Mr. Touhig: To ask the President of the Board of Trade if she will make a statement about the availability of Shipbuilding Intervention Fund grants for 1998. [40729]

Mrs. Beckett: I have decided to extend the Shipbuilding Intervention Fund for currently eligible yards until 31 December 1998. The rates of support will be unchanged from those in 1997, namely 9 per cent. for large ships and 4.5 per cent. for small ships, both rates inclusive of Shipbuilders' Relief of 2 per cent. These are the maximum rates permitted within the EU's Seventh Shipbuilding Directive.

I will be considering the overall future of the Fund beyond 1998 in the light of progress in negotiations for the abolition of shipbuilding subsidies in the European Union and the OECD, and also in the context of the Government's Comprehensive Spending Review.

Insolvency Service

Mr. Derek Twigg: To ask the President of the Board of Trade when the revised framework document for the Insolvency Service is to be published. [40804]

Mrs. Beckett: The document has been published today. Copies of the document and of the evaluation of the agency's performance have been placed in the Libraries of both Houses.

Mr. Ruane: To ask the President of the Board of Trade what targets she has set her Department's Insolvency Service Executive Agency for 1998–99. [40806]

Mrs. Beckett: Against the Insolvency Service's planning assumption that compulsory insolvencies will total 26,000 in the year to 31 March 1999, I have set it the target of completing 26,500 cases so that the number of cases outstanding as at 31 March 1999 is no more than 17,000 (around 8 months input), with no more than 9% of cases being more than 36 months old. I have also set it the target of reducing administrative costs of bankruptcy and compulsory liquidation case administration in 1998–99 by 1%. The Services's investigation resource is being maintained at 1997–98 levels, and I would therefore expect it to continue to take proceedings against unfit directors and to report on cases of criminal misconduct at least at the levels achieved in the year to 31 March 1998.

In addition, I have set the Service the following quality of service targets for 1998–99:

- to report to creditors on assets and liabilities within 8 weeks in at least 96% of all cases, and within 12 weeks in 98% of all cases;
- to hold the initial meetings of creditors within 12 weeks in 96% of all appropriate cases, and within 4 months in 98% of all appropriate cases;
- to submit reports within 10 months in at least 90% of bankruptcy cases, and at least 80% of company liquidation cases where there is evidence of criminality;

to submit disqualification reports within 15 months in at least 80% of cases where there is evidence of unfit conduct by directors; and

to check and action at least 97% of Insolvency Services Account payment requisitions within 4 days or by the due date.

I also expect the Service to action 97% of invoices for payment within 30 days of receipt and the Agency Chief Executive to reply within 10 days to all letters from Members of Parliament delegated to him for reply.

National Weights and Measures Laboratory

Mr. Wills: To ask the President of the Board of Trade what targets she has set her Department's National Weights and Measures Laboratory for 1998–99. [40799]

Mrs. Beckett: I have set the National Weights & Measures Laboratory the following quality of service and efficiency targets for the year 1998/99:

Financial Targets

To report a break even situation in the income and expenditure account 1998/99.

To meet the net vote target in 1998/99.

To reduce the real cost of a programme hour by 4% over the period 1997–2000.

Operational Targets

To complete 85% of European type approvals within 10 weeks.

To complete 95% of all calibration jobs (including preparation of certificates) within 18 working days of the acceptance of the work.

To meet 70% of the milestones by their due date in the work programme agreed between CACP Directorate and NWML.

Questions Delegated to the Chief Executive

Chief Executive to reply within 10 days to all letters from Members of Parliament delegated to him for reply.

Radiocommunications Agency

Mr. Jim Cunningham: To ask the President of the Board of Trade what targets she has set her Department's Radiocommunications Agency for 1998–99. [40800]

Mrs. Beckett: I have set the Radiocommunications Agency the following quality of service targets for 1998/99 in respect of its licensing and enforcement activities. These are in addition to achieving an overall efficiency improvement of 5% over 1997/98, and to set fees in accordance with the powers established under the Wireless Telegraphy Act 1998.

Licensing Targets

Category A:

Licences that involve no frequency assignment, site clearance or international co-ordination; 100% of applications and amendments to be processed and despatched within 5 working days.

Category B:

Licences that involve frequency assignment but no site clearance or international co-ordination; 90% of applications and amendments to be processed and despatched within 15 working days; the remainder to be processed and despatched within 25 working days or an explanation of the delay provided to the applicant.

Category C:

Licences that require frequency assignment and/or site clearance and/or international co-ordination; 90% of applications and amendments to be processed and despatched within 40 working days; remainder to be despatched within 60 working days, or an explanation of the delay provided to the applicant.

Renewals

Renewals of all licences in category A to be processed and despatched within 5 working days; renewals of licences in categories B and C to be processed and despatched within 10 working days.

Enforcement

100% of safety of life services reports of interference to be investigated within 24 hrs.

98% of business customers reports of interference to be investigated within 5 working days, the remainder within a further 10 days;

98% of domestic customers reports of interference to be investigated within 1 month, the remainder within a further month.

Correspondence

I also expect all correspondence from hon. Members to Ministers, and all written complaints to the Chief Executive about Agency services, to be answered within 10 working days of receipt, the Agency's enquiry point to respond to 95% of all calls within 30 seconds, and 97% of valid invoices to be paid within 30 days (or as agreed with supplier) and the remainder to be paid within a further 30 days.

Employment Tribunals Service

Jane Griffiths: To ask the President of the Board of Trade what targets she has set her Department's Employment Tribunals Service for 1998–99. [40802]

Mrs. Beckett: I have set the Employment Tribunals Service the following quality of service targets for 1998/99 in respect of its tribunals activities. These are in addition to achieving an efficiency improvement of 3% over 1997/98.

Hearing Targets

Proportion of single industrial tribunal cases to be brought to a first hearing within 26 weeks; 85%.

Proportion of single industrial tribunal cases to be brought to a first hearing within 26 weeks : minimum to be achieved by all offices; 65%.

Decision Targets

Proportion of industrial tribunal decisions issued within 4 weeks of final hearing; 85%.

Appeals

Proportion of appeals to the Employment Appeal Tribunal registered for preliminary hearing ready for listing within 6 weeks; 90%.

User Satisfaction Surveys

Proportion of industrial tribunal users expressing satisfaction in surveys with the service offered; 80%.

Companies House

Mrs. Heal: To ask the President of the Board of Trade what targets she has set her Department's Companies House Executive Agency for 1998–99. [40801]

Mrs. Beckett: I have set Companies House the following targets for the 1998/99 year:

Operational Targets

To process 97% of statutory documents within 5 days of receipt at Companies House.

To achieve, on average, a monthly compliance rate for accounts submitted of 95%.

To ensure that a minimum of 98% of fiche provided to customers is error free.

To ensure that there is a minimum of 95% error free work in current processing.

To answer 90% of all incoming telephone calls within 20 seconds.

Questions Delegated to the Chief Executive

The Chief Executive to reply within 10 days to all letters from Members of Parliament delegated to him for reply.

Complaints Handling

To clear up 95% of complaints within 10 days.

Financial Targets

To maintain a cost reduction target of 3% on document registration.

To achieve taking one year with another, a 6% average rate of return based on the operating surplus expressed as a percentage of average net assets.

EU Consumers Council

Mr. Hopkins: To ask the President of the Board of Trade if she will make a statement on the outcome of the EU Consumers Council held on 23 April. [40805]

Mr. Nigel Griffiths: The Government achieved its key Presidency objective in the consumer field when the Council agreed by a qualified majority a common position on a proposal for a directive on the sale of consumer goods and associated guarantees.

The directive provides European consumers with common minimum rights when goods are faulty. In addition to their existing rights to return faulty goods and to claim damages, UK consumers will gain the following benefits:

a clear right to repair or replacement, except where this is impossible or disproportionate, where the defect appears within two years of delivery;

in the absence of proof to the contrary, a defect appearing within six months will be presumed to have existed at delivery;

the law will provide that manufacturers' guarantees are legally binding.

In providing common rights the directive should give consumers greater confidence to shop in other Member States and benefit from the Single Market. At the same time it will provide remedies which are fair and reasonable, reflecting the approach most UK traders already adopt in fulfilling their legal obligations. The Directive makes all retailers liable for defects which are shown to have been present at the time of delivery and which become apparent within two years of delivery. Liability will be subject, amongst other criteria, to consideration of what can be reasonably expected from a product. For example, expectations will be different for perishable goods. The Directive gives the remedies of price reduction or rescission of the contract where repair and replacement of faulty products are, for example, not possible.

The Council also adopted the directive on injunctions for the protection of consumers' interests.

The Commission gave presentations on:

the effective application and enforcement of Community consumer legislation;

its plans for the continuation of the European Home and Leisure Accidents Surveillance System (EHLASS);

its proposals for the introduction of a voluntary scheme to facilitate out-of-court settlement of consumer disputes;

a proposal for a Decision of the European Parliament and the Council establishing a general framework for Community activities in favour of consumers.

Two "A" points were agreed. A request by the European Parliament for a one-month extension of its examination of a directive on genetically modified organisms and a draft common position relating to preparation of the Non Proliferation Treaty.

Confiscated Property (Internet)

Mr. Ivan Lewis: To ask the President of the Board of Trade what arrangements she has made for publishing on the Internet the details of those whose property was confiscated under wartime legislation. [40803]

Mrs. Beckett: I have today made available on the Internet the details of those residents of Bulgaria, Germany, Hungary, Japan and Romania whose property was confiscated during the Second World War by the British Government under Trading with the Enemy Legislation.

The information on the website is the same as that already available on summary record cards at the Public Record Office. Each record consists of a name and, where we have it, the address, summary details and value of the property seized. There are over 25,000 records, covering individuals and commercial organisations.

My Department also holds less detailed records of about 5,000 cases from other countries, which I intend to post on the Internet in due course.

The website can be found at www.enemy property.gov.uk. It will be possible to search the records using a name and/or an address.

I am also establishing a helpline, available between 9.30 and 5.30 on working days, for those who do not have access to the Internet on 0171–215–6374 or 0171–215–6160.

As I announced on 3 April, the Government have decided to establish a claims procedure. This will be based on the principle that confiscated assets placed in the UK by victims of Nazi persecution should be returned to them by the UK where practicable and where claims can be validated. The Government have also accepted the suggestion that an independent third party should consult interested parties, and advise on the form of the scheme the Government should adopt. I will announce the appointment of the independent third party as soon as possible.

Radioactive Waste

Mr. Alasdair Morgan: To ask the President of the Board of Trade when Euratom was informed of the proposed shipment of radioactive material from Georgia to the United Kingdom. [39901]

Mr. Battle: The European Safeguards Directorate in Luxembourg were informed three weeks before the shipment, when an approximate date for the shipment was given. Euratom were subsequently provided with formal advance notification of the import, as required under Commission Regulation 3227/76, ten days before the provisional date of arrival of the material at Dounreay. The advance notification was subsequently amended to give the precise date three days before the shipment arrived.

Patent Office

Mr. Salter: To ask the President of the Board of Trade what targets she has set her Department's Patent Office Executive Agency for 1998–99. [40807]

Mrs. Beckett: I have set The Patent Office the following targets for 1998/99:

Patents

To issue 14,500 search reports or combined search and examination reports on average within 3 months from the date of request, with 90% of all reports issued within 4 months from the date of request.

To grant 8,500 valid patents on average within 2 years from the date of filing of the request for substantive examination, with 90% of patents granted within 3 years from the date of request.

Designs

To register 8,700 designs on average within 5 months from the date of filing of the application, with 90% of all registrations within 12 months.

Trade Marks

The aim is to process 70,000 trade mark class applications to which no substantive objections are raised or oppositions filed within 9 months of application; the target for 1998/99 is to increase the proportion of trade marks registered within 9 months by 5% over 1997/98 outturn.

Finance

To pay 98% of bills within 30 days of receipt of goods or services or a valid invoice, whichever is the later.

Questions delegated to the Chief Executive

The Chief Executive will aim to reply within 10 days to all letters from Members of Parliament delegated to him for reply.

Efficiency Target

To increase output in relation to current expenditure by an average of at least 2% per annum over the period 1998/99 to 2002/03.

AGRICULTURE, FISHERIES AND FOOD

Fisheries Enforcement Measures

10. **Mr. John Smith:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on progress on fisheries enforcement measures. [39117]

Mr. Morley: Effective enforcement is a top priority for this Government and progress has been made on a number of fronts in the interests of conserving fish stocks and ensuring the long-term viability of the fishing industry.

Cattle Passports

12. **Mr. Cranston:** To ask the Minister of Agriculture, Fisheries and Food how many cattle passports are issued each week by his Ministry. [39119]

Mr. Rooker: The average figure is 33,800.

Common Agricultural Policy

13. **Mr. Laurence Robertson:** To ask the Minister of Agriculture, Fisheries and Food what savings in the EU agriculture budget he will propose in discussions in the Council of Ministers on CAP reform. [39121]

Mr. Rooker: The Government will continue to press for CAP reforms which deliver lower prices to consumers in the short term and savings to taxpayers in due course.

Mr. Andrew George: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the European Commission's proposals for the reform of the Common Agricultural Policy. [39120]

Dr. John Cunningham: The European Commission's proposals go very much in the direction the Government have been advocating, and build on the 1992 reforms which began to shift aid from production support to income support.

24. **Sir Teddy Taylor:** To ask the Minister of Agriculture, Fisheries and Food what proposals he plans to put to the Council of Ministers for the reform of the CAP during the UK presidency. [39132]

Mr. Rooker: The European Commission presented its formal legislative proposals for reform of the Common Agricultural Policy to the Agriculture Council on 31 March. In many respects, these proposals go very much in the direction that the Government have advocated. The Government will progress discussion of these proposals as far as possible during the UK Presidency and will therefore seek to negotiate an outcome which reflects UK priorities.

25. **Mr. Lansley:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the impact of CAP reform on the next round of World Trade Organisation talks. [39134]

Mr. Rooker: The Government believe the Agenda 2000 proposals for CAP reform are a welcome step in the right direction. The proposals will generally address the problems which arise from the EU's current WTO commitments, concluded as part of the GATT Uruguay Round. We do not, however, feel they prepare fully for the next round of agricultural liberalisation negotiations in the WTO, which are due to start at the turn of the century.

26. **Sir Michael Spicer:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the reform of methods of payment to farmers in the proposals of the European Commission to reform the CAP. [39136]

Mr. Rooker: The European Commission's proposals for the reform of the Common Agricultural Policy go very much in the direction the Government have been advocating, and build on the 1992 reforms which began to shift aid from production support to income support. However, we are disappointed that there is no time-limit or degressivity for compensatory aids.

Beef Export Ban

14. **Sir Geoffrey Johnson Smith:** To ask the Minister of Agriculture, Fisheries and Food what discussions he has had with *(a)* the European Commission and *(b)* members of the European Agriculture Council about the total lifting of the beef export ban on UK beef. [39122]

Dr. John Cunningham: On 16 March, the Agriculture Council agreed to allow exports of deboned beef and beef products from Northern Ireland under the Export Certified Herds Scheme, and we have continued to discuss proposals for a Date Based Export Scheme with the Commission, which would apply across the UK.

22. **Mr. Wigley:** To ask the Minister of Agriculture, Fisheries and Food what progress is being made on securing the lifting of the beef export ban on the basis of a date-based scheme; and if he will make a statement. [39130]

Mr. Rooker: We are continuing to make progress with our proposals for a Date Based Export Scheme. Our officials have had productive discussions with their counterparts in the European Commission. As a result, the Commission is now preparing a draft proposal for presentation to the Standing Veterinary Committee in accordance with the procedure laid down in the Florence Agreement.

Hill Farms

15. **Miss McIntosh:** To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the importance of hill farms to the rural economy in upland areas. [39123]

Mr. Morley: A recent economic evaluation of the Hill Livestock Compensatory Allowances Scheme in England suggests that the relative importance of farming in upland areas in England is declining as the non-agricultural population increases. Agriculture, nevertheless, remains a significant employer in the Less Favoured Areas and we recognise the role that it plays in sustaining the upland economy, as well as the traditional upland landscape.

Dairy Farmers

16. **Mr. Baldry:** To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of the number of dairy farmers who will cease milk production this year. [39124]

Mr. Morley: None. However, the number of dairy farmers has been falling for many years and it is likely this trend will continue.

Food Safety Standards

17. **Mr. Fraser:** To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of food safety standards across the European Union. [39125]

Mr. Rooker: Much food law is harmonised at the EU level and it is the Commission's responsibility to ensure that standards are applied consistently. The Government believe that UK consumers should be able to expect the same high standards of safety from food produced anywhere in the EU.

British Beef

18. **Judy Mallaber:** To ask the Minister of Agriculture, Fisheries and Food what steps he has taken to increase sales of British beef. [39126]

Mr. Rooker: The Government have continued to support various initiatives to help restore consumer confidence in beef and so promote sales. These have included Farm Assurance Schemes, the Assured British Meat initiative and measures such as beef labelling, raising hygiene standards and improving cattle traceability. We have also been in discussion with the Ministry of Defence recently to explore ways in which the volume of British beef purchased by the Armed Forces might be increased.

Milk Prices

19. **Mr. Luff:** To ask the Minister of Agriculture, Fisheries and Food what recent discussions he has had with representatives of milk producers about the price of milk; and if he will make a statement. [39127]

Mr. Morley: I have regular meetings on a range of issues with farming organisations. Some of these organisations have milk producers amongst their members. Apart from the operation of the Common Agricultural Policy, the price milk producers receive for their products is a commercial matter.

Food Standards Agency

20. **Dr. Iddon:** To ask the Minister of Agriculture, Fisheries and Food when he expects to publish the draft Food Standards Agency Bill. [39128]

Mr. Rooker: We hope to publish the draft Bill later in the current Parliamentary Session.

Mr. Clifton-Brown: To ask the Minister of Agriculture, Fisheries and Food what powers the Food Standards Agency will have in respect of imported food. [39014]

Mr. Rooker: The Agency will need to play a key role in import policy to ensure that food safety continues to be protected, and we are looking at how this can best be achieved whilst taking into account trade and animal health issues.

The Agency will have responsibility for legislation and guidance on enforcement activities relating to imported food under The Imported Food Regulations 1997. Responsibility for *enforcing* food safety legislation in respect of imported food will remain with the Port Health Authorities and Local Authorities, but in future the Agency will have a key role in monitoring this work. In addition, the Agency will take on MAFF's current responsibilities for routine chemical and microbiological *surveillance* of foodstuffs, which makes no distinction between imported and domestic produce. Where surveillance gives rise to concerns, it will be for the Agency to decide—on the basis of advice from its expert Committees—what action to take.

Beef Labelling

21. **Mrs. Dean:** To ask the Minister of Agriculture, Fisheries and Food what progress he has made with regard to labelling of beef. [39129]

Mr. Hanson: To ask the Minister of Agriculture, Fisheries and Food what evaluation he is undertaking of the beef labelling scheme. [39135]

Mr. Rooker: No evaluation of the beef labelling scheme can yet be undertaken, because of the European Commission's decision further to delay the scheme's full entry into force until 1 July. Nevertheless, some 11,000 beef outlets in the UK have already received approval for the detailed labelling information they supply, having

applied voluntarily since the scheme's launch last October. I expect more to receive approval before the scheme takes full effect.

Fishing Industry

23. **Mr. Loughton:** To ask the Minister of Agriculture, Fisheries and Food what meetings he has recently had with representatives of the UK fishing industry to discuss the prospects of the industry. [39131]

Mr. Morley: I am meeting representatives of the UK fishing industry today, 30 April, to discuss future prospects.

Bureaucracy

Mr. Hawkins: To ask the Minister of Agriculture, Fisheries and Food what steps he is taking to reduce bureaucracy and the form-filling required of farmers by his Department and its agencies and officials. [39111]

Mr. Rooker: We have systems in place to check the necessity and usability of forms. We also have studies and trials to deliver schemes more effectively.

Central Science Laboratory

Mr. Charles Clarke: To ask the Minister of Agriculture, Fisheries and Food what are the names of the specialists from the commercial sector appointed to advise him on how best to achieve a secure future for the Central Science Laboratory, as announced by the Minister for Agriculture, Fisheries and Food on 9 December 1996. [37790]

Mr. Rooker *[holding answer 6 April 1998]:* Following the announcement by the previous Administration on 9 December 1996 a tendering exercise was launched to identify consultants to advise on the issue. These procedures were suspended over the period of the General Election and not proceeded with thereafter. Subsequently, it was decided by management that the Central Science Laboratory (CSL) would benefit from a period of consolidation at its new York laboratory, following the intense period of examination during the Prior Options review and other external management consultants' investigations.

CSL appointed a Commercial Director from the private sector in September 1997 who is charged with taking forward initiatives in this area.

Mr. Charles Clarke: To ask the Minister of Agriculture, Fisheries and Food what assessment his Department has made of the implications of the case High Table Ltd. versus Horst (1997) for redundancy payments for mobile staff employed by the Central Science Laboratory in Norwich in the event that such staff refuse to relocate to York; and what are the financial implications for the Central Science Laboratory. [37949]

Mr. Rooker: The Department is aware of the High Table versus Horst case. Our legal advice is that it would not have a material impact on the assessments for relocation costs that are being made in connection with the possible relocation of the work undertaken at the Central Science Laboratory (CSL), Norwich. This being the case, there are no financial implications for CSL.

Mr. Charles Clarke: To ask the Minister of Agriculture, Fisheries and Food how many staff were employed by the Central Science Laboratory at *(a)* Slough, *(b)* Harpenden and *(c)* Worplesdon in January 1995; and how many were still employed by the CSL, at York, in January 1998, broken down (i) into (1) scientists and (2) non-scientists and (ii) into (A) mobile and (B) non-mobile grades. [37766]

Mr. Rooker *[holding answer 6 April 1998]:* The information requested is as follows; although I should alert my hon. Friend that the information for the two dates is not directly comparable.

	January 1998	*January 1995*		
	Slough	*Harpenden*	*Worplesdon*	*York*
Total staff	235	168	50	181
of which:				
Scientists	147	102	38	148
Non scientists	88	66	12	33
Mobiles	128	87	26	169
Non mobiles	107	81	24	12

A number of factors have influenced the level of staffing within the Central Science Laboratory over the period January 1995 to January 1998.

Amongst mobile grades there were 6 retirements at normal retirement age and one medical retirement during this period. In addition there were two voluntary early retirement exercises conducted to reduce staff levels as a result of declining funding and where it was clear that the posts would not be required for the future. 26 staff in mobile grades, based at Slough, Harpenden or Worplesdon, took early retirement between January 1995 and March 1996, prior to the relocation exercise which commenced in September 1996.

Mr. Charles Clarke: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answers of 5 March 1998, *Official Report*, column *728*, 31 March 1998, *Official Report*, column *506* and 7 April 1998, *Official Report*, column *216*, what assessment he has made of the discrepancy between the proportion of scientific staff who transferred from Torry, Aberdeen to York and the proportion of all staff in mobile grades which have transferred to York. [39001]

Mr. Rooker *[holding answer 20 April 1998]:* The circumstances of the closure of the Torry laboratory differ from those of the major relocation exercise to occupy the new Central Science Laboratory (CSL) at Sand Hutton, York.

With the closure of the Torry laboratory, funding for work which was of particular relevance to Scotland was transferred to the Scottish Office and work programmes and associated staff were transferred to the Rowett Research Institute, Aberdeen University and the Scottish Office Marine Laboratory.

There was no such transfer of funding or staff for the work that was relocated to York from a number of CSL sites, including Slough, Worplesdon and Harpenden.

Mr. Ainger: To ask the Minister of Agriculture, Fisheries and Food what performance targets he has set for the Central Science Laboratory in 1998–99; and if he will make a statement. [40796]

Dr. John Cunningham: I have set the Central Science Laboratory the following performance targets for 1998–99.

Efficiency

1 per cent. improvement in utilisation of productive time.

Delivery of Science

At least 90 per cent. of work completed to time and within budget;

Achieve a mean score of 3.5 on a scale of 0 to 5 for the assessment of customer satisfaction using the established methodology;

Proportion of project milestones achieved to be at or greater than 82 per cent. (MAFF commissioned projects).

Financial

100 per cent. recovery of full costs after allowing for relocation costs;

To operate within the net cost allocation as agreed by the MAFF Management Board.

Allergic Reactions

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the potential allergic reaction that could be caused by the transfer of a gene from one foodstuff to another, where the original foodstuff causes such a reaction. [40325]

Mr. Rooker: An assessment of allergenic potential forms an essential part of the Advisory Committee on Novel Foods and Processes's safety assessment of any genetically modified food.

Novel Foods

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what level of quantifiable risk must be reached before permission to authorise a novel food is refused. [40324]

Mr. Rooker: My Department has responsibility for novel foods. I receive advice on the safety from the Advisory Committee on Novel Foods and Processes (ACNFP) which assesses all novel foods in accordance with guidelines laid down by the European Commission (Official Journal L253, Vol. 40 of 16 September 1997). These guidelines, which reflect the views of internationally recognised experts in this area, are not based on the concept of quantitative risk assessment. Instead, each application is rigorously assessed on a case-by-case basis to ensure the product will not present a danger to the consumer, mislead the consumer or differ from foods or food ingredients which they are intended to replace to such an extent that their normal consumption would be nutritionally disadvantageous.

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food how many applications for approval of novel foods have been considered for each year from 1990 to date; for each year how many were *(a)* approved and *(b)* refused; and how many are outstanding. [40322]

Mr. Rooker: A complete list of the novel foods considered by the Advisory Committee on Novel Food and Processes (ACNFP) prior to the EU Novel Foods Regulation (258/97) coming into force in May 1997 is contained in Appendix XIII of its Annual Report for 1996, a copy of which is available in the Library of the House. This is a complete list of all novel foods that have been considered in the United Kingdom up to March 1997. Between that date and 15 May 1997, no further applications were considered.

Since the Novel Foods Regulation came into force, the Committee has considered four applications requesting an opinion on substantial equivalence, for two genetically modified (GM) cottonseeds, a GM potato and a GM maize, and has requested further information for all of them. In addition, one full application for food safety clearance, on GM tomatoes, which were approved for use prior to May 1997 but for which not all applications had reached the market, has been considered and approved. A report on this will be forwarded to the European Commission shortly.

BSE Unit

Mr. Campbell-Savours: To ask the Minister of Agriculture, Fisheries and Food (1) what is the remit of the BSE unit; [39996]

(2) how many persons work in the BSE unit; [39997]

(3) what is the role of his Department's BSE unit in relation to the independent inquiry into BSE; [39998]

(4) what is the total proposed budget for the BSE unit for each year of its operation; [39999]

(5) how many staff are allocated to his Department's BSE unit by grade; [40000]

(6) if he will give the name and grade of the civil servant who is in charge of his Department's BSE unit; [40001]

(7) if he will make a statement on the arrangements for ensuring the accountability of officials in his Department's BSE unit to Ministers; [40002]

(8) if his Department's BSE defence unit and BSE unit are the same organisations. [40003]

Mr. Rooker: The MAFF BSE Inquiry Liaison Unit was set up to assist the BSE Inquiry in establishing the relevant facts into which it is inquiring; to deal scrupulously and promptly with the Inquiry's requests for information; and to provide appropriate documentary and legal support for individual MAFF witnesses, including former Ministers, in their dealings with the Inquiry.

In accordance with the conventions on access to papers of previous Administrations, Ministers are playing no part in the presentation of evidence to the Inquiry by their departments. The Liaison Unit's support to the Inquiry and to witnesses is therefore being provided under the authority of the Permanent Secretary, in accordance with guidance from the Cabinet Secretary. Staff working in the Liaison Unit otherwise remain accountable to Ministers in the normal way, including for support on the Government's policy towards the Inquiry.

The Department does not have a separate "BSE defence unit". It is primarily for individual witnesses, including former Ministers and the then responsible senior officials, to explain in their evidence to the Inquiry their and the Ministry's part in the emergence and control of BSE. In

line with precedent, the Liaison Unit is providing witnesses with documentary, logistical and, where necessary, legal support in the task.

The Unit's estimated budget for the current year is some £1.5 million, excluding the costs of legal advice to MAFF witnesses. The Unit reports to Mr. Neil Thornton, a member of the senior civil service, and then to the Permanent Secretary.

My hon. Friend may be interested to know that the Department has already provided over half a million pages of photocopies to meet the Inquiry's needs.

The Unit comprises the following posts by grade:

Grade	*Number*
SCS	1
Grade 6	1
Grade 7	3
HEO (D)	1
HEO	5
EO	5
AO	3
AA	4
PS	2
Paperkeeper	1
Total Staff	26

In accordance with the Inquiry Chairman's wishes, the Department has also appointed Counsel to help with the presentation of evidence.

Farming And Rural Conservation Agency

Miss Geraldine Smith: To ask the Minister of Agriculture, Fisheries and Food what performance targets he has set for the Farming and Rural Conservation Agency for 1998–99; and if he will make a statement. [40792]

Dr. John Cunningham: With the agreement of the Secretary of Sate for Wales I have set the following targets for the Farming and Rural Conservation Agency (FRCA) for 1998/99.

Efficiency

To deliver a 3 per cent. efficiency saving compared with 1997/98.

Delivery of Services

92 per cent. of work completed in time.

98 per cent. of work completed to quality standards agreed with MAFF and WOAD customers.

Design and carry out a user and customer satisfaction survey.

Financial Performance

To recover from Government Departments and Agencies the full economic cost (calculated according to accruals accounting) of its services.

To operate within the net cash allocation as agreed for FRCA by the MAFF Management Board.

Pesticides Safety Directorate

Miss Geraldine Smith: To ask the Minister of Agriculture, Fisheries and Food what performance targets he has set for the Pesticides Safety Directorate for 1998–99; and if he will make a statement. [40793]

Dr. John Cunningham: I have set the following targets for the Pesticides Safety Directorate in 1998/99.

Quality of Service

To meet the throughput and processing time targets set out in the table below.

To deliver high quality policy advice to Ministers and to represent them effectively.

To deliver scientific work of recognised high quality.

Financial Performance

To recover from industry and Government the full economic cost (calculated according to accruals accounting) of its service.

To operate within MAFF's net cash allocation agreed for PSD by MAFF's Management Board.

Throughput and processing time targets:

Application Stream	*Planned completions*	*Processing time (weeks)*
New Substances (Notes 1,2)		
Sift	15	22
Evaluation UK	6	52
EU	8	52
Reviews (Note 3)		
Full	—	—
Other	26	—
European		
Non-UK rapporteur monographs	20	—
Technical Secretariat (Notes 1,2)		
Normal	370	41
Fast	400	17
Extrapolated Experimental	10	16
Approval	5	26
Experimental Permit	15	12
Emergency Off Label	40	34
Non-emergency Off Label	15	52
Departmental	550	4
Administrative Fast	45	—
Other	—	—
Total	1,525	—

Notes:

1. 90 per cent. of applications are covered by the processing time targets except the sift where the figure is 100 per cent.

2. Completed applications have no outstanding actions eg approval issued or application refused.

3. For UK reviews, completion is when all 5 regulatory Departments have given approval.

Meat Hygiene Service

Mr. Gareth Thomas: To ask the Minister of Agriculture, Fisheries and Food what performance targets he has set for the Meat Hygiene Service for 1998–99; and if he will make a statement. [40794]

Dr. John Cunningham: I have set the following performance targets for the Meat Hygiene Service (MHS) for 1998/99:

Operational and service delivery

To take all measures necessary to ensure full compliance in licensed premises with Specified Risk Material Regulations 1997 and other related statutory instruments.

To develop a comprehensive training package for all current MHS staff and to ensure that all MHS contract and employed OVSs, Meat Hygiene Inspectors and Meat Technicians complete a formal training programme in HACCP and Quality (ISO 9002) by 31 March 1999, and to present a formal programme of evaluation of the results of this training.

To ensure that by the end of 1998/99 on a rolling three-month average at least 93 per cent. of licensed premises are achieving HAS scores of more than 65 and that 75 per cent. of all licensed premises are achieving HAS scores of more than 70.

To strictly implement the Clean Livestock Policy by ensuring that cattle and sheep classified into categories 3 and 4 on the clean livestock scale are only exceptionally, and subject to special precautions being taken, slaughtered for human consumption and that no animals in category 5 are accepted for human consumption.

To ensure a strict prohibition on carcases showing any faecal contamination being health-marked for human consumption.

To publish by 31 July 1998 the report on the MHS Welfare Survey undertaken in 1997/98. To provide instructions or training to MHS staff in areas where action or recommendations are made in the Welfare Audit.

Financial Performance

To charge plant operators the full economic costs (calculated in accordance with the relevant legislation and accruals accounting and Industry Charges Guide) of providing the statutory health inspection and controls at fresh meat premises.

To recover from government departments, agencies and the Intervention Board the full economic costs (calculated in accordance with the relevant charging legislation and accruals accounting) of providing agreed services or other work undertaken on their behalf.

To operate within the net cash allocation as agreed during the year by the MAFF Management Board.

Centre for Environment, Fisheries and Aquaculture Science

Mr. Gareth Thomas: To ask the Minister of Agriculture, Fisheries and Food what performance targets he has set for the Centre for Environment, Fisheries and Aquaculture Science for 1998–99; and if he will make a statement. [40795]

Dr. John Cunningham: I have set the Centre for Environment, Fisheries and Aquaculture Science the following performance targets for 1998/99:

Efficiency

To achieve the savings forecast in the Efficiency Plan

Delivery of Service

To give satisfaction to its customers in the way that outputs are provided taking account of the relevance, timeliness and value for money of outputs and the achievement of ROAME milestones.

Quality of Service

To maintain a high standard of excellence, based on indicators of scientific and technical quality.

Financial Performance

To recover from Government Departments and Agencies and external customers the full economic costs (calculated according to accruals accounting) of its services.

To operate within the net cash allocation as agreed by the MAFF Management Board.

Veterinary Medicines Directorate

Miss Geraldine Smith: To ask the Minister of Agriculture, Fisheries and Food what performance targets he has set for the Veterinary Medicines Directorate for 1998–99; and if he will make a statement. [40791]

Dr. John Cunningham: I have set the following performance targets for the Veterinary Medicines Directorate (VMD) for 1998–99:

Safety and Quality

Enter Suspected Adverse Reaction Surveillance Scheme (SARSS) reports on to the database as follows:

human reports: within 2 working days

serious animal reports: within 2 working days

non-serious animal reports: within 10 working days.

Report to the Veterinary Products Committee (VPC) each quarter reviewing trends in SARSS reports and identifying areas requiring evaluation.

Collect and analyse 95 per cent. of the samples in the national residues surveillance plan.

Provide high quality policy advice to Ministers.

Provide high quality scientific assessment work.

Standards of Service

100 per cent. compliance with timetables for centralised and decentralised authorisation procedures (including maximum residue limits).

90 per cent. of new marketing authorisations to be determined or referred to the VPC within 120 clock days.

100 per cent. of new marketing authorisations to be determined within 210 clock days.

100 per cent. of valid applications to have first assessment by 75 clock days and to be determined by 150 clock days.

100 per cent. of valid renewal applications to have first assessment by 90 clock days and to be determined by 180 clock days.

People

Achieve Investors in People accreditation by 31 March 1999.

Financial Control

Recover from industry and Government the full economic cost (calculated according to accruals accounting) of each of its main business activities (licensing and surveillance; policy work; residue monitoring).

Operate within the net cash allocations agreed for VMD by MAFF's Management Board.

Veterinary Laboratories Agency

Mr. Gareth Thomas: To ask the Minister of Agriculture, Fisheries and Food what performance targets he has set for the Veterinary Laboratories Agency in 1998–99; and if he will make a statement. [40797]

Dr. John Cunningham: I have set the Veterinary Laboratories Agency the following performance targets for 1998–99:

Efficiency

Achievement of an agreed programme of rationalisation

Service Delivery

85% of ROAME R&D milestones achieved

Service Quality

Achievement of laboratory accreditation for Specified Pathogen Free Hatchery, the Brucella Biohazard Unit and the Protozoology Unit.

Financial Performance

Full cost recovery for all Veterinary Laboratories Agency services.

To operate within the net cash allocation as agreed by the MAFF Management Board.

Chemical and Nuclear Contamination

Mr. Charles Clarke: To ask the Minister of Agriculture, Fisheries and Food what information his Department compiles on chemical or nuclear contamination incidents where there were potential food safety implications; if this information is available to the public; and if he will make a statement. [40798]

Mr. Rooker: The Department compiles annual reports on all such incidents and the Department's response to them. These reports are available to inquirers, free of charge. The latest report by the Ministry's Food Safety Incident Response Team, entitled "Food Protection 1997" has been placed in the Library of the House. It contains details of 230 incidents dealt with in 1997.

HEALTH

Millennium Compliance

Mr. Malcolm Bruce: To ask the Secretary of State for Health what is his latest estimate of the cost of resolving the millennium computer problem, including the embedded chip problem, in the National Health Service; how much money has been spent on this to date; and if he will make a statement. [37992]

Mr. Milburn *[holding answer 7 April 1998]:* The National Health Service Executive required health bodies to complete detailed project plans including budget estimates by 31 March 1998.

The returns are still being analysed and a statement will be issued in due course.

Mr. Jim Cunningham: To ask the Secretary of State for Health (1) what estimates his Department has made of the likely total cost to the National Health Service in achieving medical equipment compliance with the millennium bug; [37996]

(2) what extra resources will be made available to the National Health Service in tackling the problem of millennium compliance. [37997]

Mr. Milburn *[holding answer 8 April 1998]:* The National Health Service Executive required bodies to complete detailed project plans including budget estimates by 31 March 1998.

The returns are still being analysed and a statement will be issued in due course.

Mrs. Gillan: To ask the Secretary of State for Health what assessment he has made of the total cost to the NHS of achieving millennium compliance. [38061]

Mr. Milburn *[holding answer 8 April 1998]:* The National Health Service Executive required health bodies to complete detailed project plans including budget estimates by 31 March 1998.

The returns are still being analysed and a statement will be issued in due course.

Dentistry

Mrs. Ballard: To ask the Secretary of State for Health, pursuant to his answer of 2 April 1998, *Official Report*, columns *643–44*, on Investing in Dentistry, if he will list the successful applications in the South West by parliamentary constituency. [39384]

Mr. Milburn: The table gives details of health authorities in the South West Regional Office area whose requests have been approved, the locations of successful schemes and the relevant Parliamentary constituencies.

Health authority	*Location*	*Parliamentary constituency*
Avon Health Authority	Stockwood	Bristol, South
Avon Health Authority	Bishopsworth	Bristol, South
Cornwall & Isles of Scilly Health Authority	Cambourne	Falmouth and Cambourne
Dorset Health Authority	Sherborne	Dorset, West
Dorset Health Authority	Weymouth	Dorset, South
Gloucestershire Health Authority	Cheltenham	Cheltenham
Gloucestershire Health Authority	Cheltenham	Cheltenham
Gloucestershire Health Authority	Cheltenham	Cheltenham
Gloucestershire Health Authority	Gloucester	Gloucester
Gloucestershire Health Authority	Gloucester	Gloucester
Gloucestershire Health Authority	Dursley	Stroud
Gloucestershire Health Authority	Newent	Forest of Dean
Isle of Wight Health Authority	Newport	Isle of Wight
Isle of Wight Health Authority	Sandown	Isle of Wight
North and East Devon Health Authority	Cullompton	Tiverton and Honiton
North and East Devon Health Authority	Bideford	Devon, West and Torridge
North and East Devon Health Authority	Torrington	Devon, West and Torridge
North and East Devon Health Authority	Exeter	Exeter
North and Mid Hampshire Health Authority	Whitchurch	Hampshire, North West
Portsmouth Health Authority	Fareham	Fareham
Portsmouth Health Authority	Hayling Island	Havant
Portsmouth Health Authority	Leigh Park	Havant
Portsmouth Health Authority	Havant	Havant
Portsmouth Health Authority	North Portsmouth	Portsmouth, North
Somerset Health Authority	Yeovil	Yeovil
Somerset Health Authority	Langport	Somerton and Frome
Somerset Health Authority	Somerton	Somerton and Frome
Somerset Health Authority	Bridgwater	Bridgwater
South and West Devon Health Authority	Tavistock	Devon, West and Torridge
South and West Devon Health Authority	Brixham	Totnes
South and West Devon Health Authority	Torquay	Torbay
Southampton and South West Hampshire Health Authority	Romsey	Romsey
Southampton and South West Hampshire Health Authority	Central Southampton	Southampton Itchen and Southampton Test
Southampton and South West Hampshire Health Authority	Southampton East	Southampton Itchen and Southampton Test
Southampton and South West Hampshire Health Authority	Hythe	Southampton Itchen and Southampton Test
Southampton and South West Hampshire Health Authority	Southampton West	Southampton Itchen and Southampton Test
Southampton and South West Hampshire Health Authority	Eastleigh	Eastleigh
Southampton and South West Hampshire Health Authority	Southampton Central	Eastleigh
Southampton and South West Hampshire Health Authority	North Baddesley	Eastleigh
Wiltshire Health Authority	Salisbury	Salisbury
Wiltshire Health Authority	Salisbury	Salisbury
Wiltshire Health Authority	Salisbury	Salisbury
Wiltshire Health Authority	Salisbury	Salisbury
Wiltshire Health Authority	Salisbury	Salisbury
Wiltshire Health Authority	Swindon	Swindon, North and Swindon, South

Health authority	Location	Parliamentary constituency
Wiltshire Health Authority	Swindon	Swindon, North and Swindon, South
Wiltshire Health Authority	Swindon	Swindon, North and Swindon, South
Wiltshire Health Authority	Swindon	Swindon, North and Swindon, South
Wiltshire Health Authority	Trowbridge	Westbury
Wiltshire Health Authority	Warminster	Westbury

Note:
As at 21 April 1998

Mrs. Ballard: To ask the Secretary of State for Health (1) if he will ensure that the sums from the 1997–98 fund for the Investing in Dentistry initiative which remain unallocated are spent on NHS dentistry; [39378]

(2) pursuant to his answer of 2 April 1998, *Official Report*, column *645*, on investing in dentistry, for what reasons £6.9 million of the money available has not yet been allocated; [39697]

(3) what criteria are used when allocating grants under the investing in dentistry scheme. [39695]

Mr. Milburn: Full guidance was issued to health authorities about making proposals under the investing in dentistry scheme, in September 1997. (Copies of (HSG(97)38) will be placed in the Library.) The scheme is operated only where the requirements of Section 56 of the National Health Service Act 1977 are met.

The criteria used in deciding upon proposals are:

(1) Whether there are sufficient grounds to justify making arrangements to supplement the usual general dental services (GDS) arrangements, under Section 56 of the 1977 NHS Act to address a significant local problem in the provision of GDS.

(2) Whether the proposal would address that problem effectively.

(3) Whether the scheme offers value for money.

(4) Whether the dentists concerned are willing to take on a significant number of new NHS patients and maintain that commitment for a period of at least 3 to 5 years.

Expenditure (that is, funds allocated to successful proposals) is dependent upon appropriate proposals being put forward by health authorities whose function it is to assess local needs, and upon their approval by my right hon. Friend, the Secretary of State.

Funds reserved for the Investing in Dentistry initiative are not available for other purposes. The scheme will continue in 1998/99, with up to £10 million being available to meet the cost of approved grants or incentives and any associated in-year treatment costs for the extra patients brought into care.

Spinal Injuries

Mr. Wigley: To ask the Secretary of State for Health how many spinal injury units there are in England. [39739]

Mr. Milburn: This information is not collected centrally. It is currently the responsibility of health authorities to assess the health care needs of their population and to commission in-patient services, including specialist facilities such as spinal injury units, appropriately.

Mr. Wigley: To ask the Secretary of State for Health what representations he has received concerning the type of treatment required by patients with spinal injuries. [39766]

Mr. Milburn: Since 1 September 1997, the Department has received 15 Private Office cases from Members of Parliament and 2 letters from members of the public and voluntary organisations about spinal injury.

NHS Pensions Agency

Ms Keeble: To ask the Secretary of State for Health if he will publish the key targets for 1998–99 for the NHS Pensions Agency. [40808]

Mr. Milburn: We have agreed the Agency's key tasks and targets for 1998–99, and have placed copies in the Library.

Northumberland Health Care Trust

Mr. Peter Atkinson: To ask the Secretary of State for Health if he will list those appointed to the Northumberland Health Care NHS Trust Board, stating *(a)* the area in which they live and *(b)* their political affiliation. [40096]

Mr. Milburn: The names, area of residency and significant political activity of those appointed to the board of the new Northumbria National Health Service Trust are shown:

Name	Postal town	Significant political activity
Brian Flood (Chairman)	Newcastle upon Tyne	Labour
Ian Swithenbank	Cramlington	Labour
Rev. Mrs. Doreen Hood	North Shields	None

Only information on candidates' significant political activity is collected.

Morecambe Bay Hospital Trust

Mr. Collins: To ask the Secretary of State for Health for what reason no member of the board of the Westmorland Hospital NHS Trust was appointed to the board of the new merged Morecambe Bay Hospital NHS Trust; and if he will make a statement. [40320]

Mr. Milburn: There can be no guarantee of non-executives from a merging trust being appointed to the new trust board. All appointments to the new Morecambe Bay Hospital National Health Service Trust were made on merit and in accordance with the Department's published procedures, copies of which are in the Library.

Radioactive Isotopes

Mr. Alasdair Morgan: To ask the Secretary of State for Health (1) what quantity of radioactive isotopes have been used in the treatment of cancer by the NHS in each year since 1992; [39902]

(2) if he will estimate how long, at current usage rates the stocks of radioactive isotopes for the treatment of cancer in the NHS will last. [39903]

Mr. Boateng: The Department does not have central records of the amounts of radio isotopes used for medical purposes. The Radioactive Substances Act (1993) requires users to register with the Environment Agency (or Scottish Environment Protection Agency) and to obtain a certificate of authorisation for accumulation and/or disposal of radioactive waste. There are nine pharmaceutical companies who hold current United Kingdom marketing authorisations for some 90 radiopharmaceutical products. The UK Atomic Energy Authority has confirmed that sources of high enriched uranium (HEU) in western Europe are almost exhausted. HEU is required to manufacture some medical radioisotopes.

Continence Services

Helen Jones: To ask the Secretary of State for Health how many people in the Warrington, North constituency are provided with continence services by the local health authority; and what budget has been allocated by the authority to continence care for each year from 1990–91. [40223]

Mr. Milburn: The information requested is not held centrally. However, Warrington Community Health Care National Health Service Trust has supplied the details which are given in the tables. The trust is able to supply data from 1994/95 onwards, but the information requested is not available prior to this date. Warrington Community Health Care NHS Trust does not collect data by ward, and therefore, the information supplied concerns the whole of Warrington.

Table 1: Budget for Continence Services, Warrington

£

	Products only	*Total expenditure*
1994–95	231,290	323,640
1995–96	226,736	298,370
1996–97	258,804	332,216
1997–98	251,025	351,081

Source:
Warrington Community Health Care NHS Trust

Table 2: Current Client Base for Continence Services, Warrington

	Number
Total clients known to service (at 31/10/97)	2,168
Domestic clients registered with home delivery service	1,071
Residential homes clients receiving products	166
Clients receiving catheters, advice, etc.	891
Clients receiving physiotherapy services	40

Source:
Warrington Community Health Care NHS Trust

Written Answers to Questions

Tuesday 5 May 1998

CULTURE, MEDIA AND SPORT

Staff Car Mileage Allowance

Mr. Stunell: To ask the Secretary of State for Culture, Media and Sport what percentage of the staff of all grades employed by his Department were eligible to claim a car mileage allowance on 31 March in each year since his Department was created. [40434]

Mr. Tom Clarke: All of the staff in the Department (including the Royal Parks Agency) were eligible to claim a car mileage allowance in respect of official travel in each year since the Department was created.

National Curriculum

Mr. Maude: To ask the Secretary of State for Culture, Media and Sport what representations his Department has received from *(a)* artists, *(b)* musicians, *(c)* dancers, and *(d)* related bodies, regarding the designation of (i) art, (ii) music, (iii) history, (iv) geography, and (v) physical education including dance as non-core subjects of the National Curriculum for primary schools; and if he has been consulted on the proposals by the Department for Education and Employment. [40158]

Mr. Chris Smith: My right hon. Friend the Secretary of State for Education and Employment, as the responsible Minister, announced on 13 January the Government's proposals to give primary schools greater flexibility in the delivery of the primary school curriculum. The mechanisms for policy development within Government are of course well established and understood. My Department has received a number of representations from performing and visual artists, arts education bodies and members of the public, covering the four curriculum subjects in which my Department has an interest: art, physical education (including dance), drama (through English literature) and music.

Hotels

Mr. Waterson: To ask the Secretary of State for Culture, Media and Sport what estimate he has made of *(a)* the number of family-run hotels in the United Kingdom and *(b)* the percentage of the foreign earnings attributable to United Kingdom hotels arising from the family-run sector; and if he will make a statement. [39991]

Mr. Tom Clarke: A 'family-run hotel' is not a category identified in the statistics available. However, the English Tourist Board estimate that there are around 30,000 family-run hotels, guest houses and bed and breakfast establishments in the UK out of a total of approximately 44,500. Expenditure by the 26.2 million overseas visitors in 1996 was £12.37 billion. Of those visitors, 21 million stayed in serviced accommodation.

Departmental Energy Use

Mr. Stunell: To ask the Secretary of State for Culture, Media and Sport what proportion of his Department's energy usage was from *(a)* renewable energy and *(b)* combined heating in each year of its and its predecessors' operation. [40412]

Mr. Tom Clarke: My Department does not at present use renewable energy or a combined heat and power system.

TRADE AND INDUSTRY

Millennium Compliance

Mr. Campbell-Savours: To ask the President of the Board of Trade if she will assess the effectiveness of *(a)* Messrs Continua Timebomb Disposal Kit and *(b)* other marketed equipment for dealing with millennium compliance. [38531]

Mrs. Roche: I know that Action 2000 is conscious of the need to provide a focus for support services and tool kits related to the Millennium Bug. To address this, it plans to contract with a data base provider to list all services and tool kits, together with any available independent assessment, and to signpost this in its literature.

Imports (Forced Labour)

Ann Clwyd: To ask the President of the Board of Trade what plans she has to *(a)* ban or restrict the importation of goods which have been made with forced labour and *(b)* to increase public knowledge and awareness of such goods and their origins. [39236]

Mrs. Beckett: The Government are committed to the elimination of abusive labour practices, including forced labour. We fully support work currently under way in the International Labour Organisation on a new declaration committing members to respect core labour standards. We encourage companies to adopt voluntary codes of practice incorporating core labour standards.

Arms Exports

Ann Clwyd: To ask the President of the Board of Trade if she will list the specialised equipment for military training licensed for export to Indonesia within the 3 ML14 export licences and the specific military unit that received the equipment. [40384]

Mrs. Roche: Inquiries are being made under the Code of Practice on Access to Government information relating to the information requested. I will write to my hon. Friend as soon as possible and place a copy of that letter in the Library of the House.

Ann Clwyd: To ask the President of the Board of Trade what plans she has to improve the transparency of arms exports. [40383]

Mr. Tony Lloyd: I have been asked to reply.

We are committed to increased transparency in the field of arms exports. We will publish an annual report on the state of UK Strategic Export Controls and their application, thereby providing for parliamentary

consideration of the application of the criteria announced by my right hon. Friend the Foreign Secretary on 28 July 1997 *Official Report*, columns *26–29*. Work is in hand and an announcement will be made in due course. Once this has been done, we will also press for a European Register of Arms Exports to make information on arms exports available at a European level.

We have played a leading role in working for greater transparency within the Wassenaar Arrangement, for example by undertaking voluntarily to inform partners of export licence applications which we have refused on regional stability grounds.

We are committed to strengthening the UN Register of Conventional Arms by encouraging greater disclosure of information on arms exports and arms transfers by all countries. We were disappointed by the limited scope of the recommendations made by last year's Panel of Government Experts and will continue to explore ways of broadening the scope of the Register.

As part of the DTI-led review of Strategic Export Controls we are considering the introduction of Parliamentary scrutiny of Export of Goods (Control) Orders.

Industrial Tribunals

Mr. Coaker: To ask the President of the Board of Trade if she will make a statement on the recent changes in procedures to appoint lay members to industrial injuries tribunals; and what factors have led to such changes being made. [36821]

Mr. Ian McCartney: I understand that the question refers to the industrial tribunals.

I refer my hon. Friend to the reply I gave to my hon. Friend the Member for Middlesbrough, South and Cleveland, East (Dr. Kumar) on 10 March 1998, *Official Report*, column *170*.

Defence Exports Credits

Ms Drown: To ask the President of the Board of Trade what is the breakdown by *(a)* year and *(b)* country of the amount of export credits in pounds sterling granted for defence-related business between 1990 and 1997 to all low-income countries and highly indebted poor countries; and what percentage of total ECGD cover that represents. [39670]

Mrs. Beckett: From information readily available the only ECGD support granted for defence-related business to countries defined by the World Bank as Low Income and/or Heavily Indebted Poor Countries between these years was as follows:

Country	*£ million*	*Year*
India	23	1992
Pakistan	7	1994
Zimbabwe	11	1994

This represents 0.15 per cent. of total ECGD cover in the period 1990–97. This analysis includes all ECGD supported business with defence buyers in these countries including the sale of non-lethal equipment.

Millennium Advertising

Mr. Mackinlay: To ask the President of the Board of Trade if she will introduce legislation to indemnify those selling cruises, holidays and other services advertised *(a)* to celebrate the millennium and *(b)* using similar terms, which refer to dates one year ahead of the arithmetical millennium. [40313]

Mr. Nigel Griffiths: There is no evidence of consumers being deceived, so no legislation is planned.

Electronic Commerce

Mrs. May: To ask the President of the Board of Trade if she will make a statement on the Government's policy on the licensing of trusted third parties. [40362]

Mrs. Roche: I refer the hon. Member to my reply to my hon. Friend the Member for South Thanet (Dr. Ladyman) on 27 April 1998, *Official Report*, columns *26–27*.

Export Licences

Dr. Tonge: To ask the President of the Board of Trade how many licence applications for the export of goods covered by the category PL5001 have been denied since 1 May 1997 by category, and country of intended destination. [40017]

Mrs. Roche: The Export Control Organisation's computer databases have been interrogated and the following results were obtained. Between 2 May 1997 and 3 April 1998, one application for an individual licence covering the export of goods with the rating PL5001 was refused. This was an application for a Standard Individual Export Licence on which the consignee and end-user were both stated to be in Kenya.

This information should be considered in light of my answer to my hon. Friend the Member for Don Valley (Caroline Flint) on 30 October 1997, *Official Report*, columns *870–71*.

Dr. Tonge: To ask the President of the Board of Trade how many licence applications for the export of goods covered by the category PL5001 to *(a)* Jamaica, *(b)* Jordan, *(c)* Malaysia, *(d)* Saudi Arabia, *(e)* Singapore, *(f)* South Korea, *(g)* Sri Lanka, *(h)* the United Arab Emirates and *(i)* Bahrain have been (i) granted, (ii) refused and (iii) revoked since 1 May 1997. [40015]

Mrs. Roche: The Export Control Organisation's computer databases have been interrogated and the following results were obtained. Between 2 May 1997 and 3 April 1998 eight Standard Individual Export Licences (SIELs) and no Open Individual Export Licences (OIELs) were issued covering the export to the specified countries of goods with the rating PL5001. In the same period, no such licences were revoked and no applications for such licences were refused.

Multilateral Agreement on Investment

Ms Walley: To ask the President of the Board of Trade if she will make a statement on the meeting between her Department and the Department of the Environment, Transport and the Regions, to discuss MAI on 21 April. [40174]

Mrs. Roche: Ministers and officials from the Department are in constant contact across Whitehall on the Multilateral Agreement on Investment. The meeting of 21 April covered the current position of MAI negotiations. The Government will continue to press for strong language on the environment and labour issues in the MAI and would not support an MAI which failed to address these issues adequately.

Statistics (Boundary Maps)

Mr. Wigley: To ask the President of the Board of Trade on what date the Office for National Statistics informed her of its support for new NUTS 2 maps for *(a)* Cornwall and *(b)* Wales; and on what date her Department proposed to Eurostat the adoption of these new definitions. [40358]

Mrs. Roche: No new maps for Cornwall and Wales have been agreed. Changes to the NUTS 2 boundaries in the United Kingdom are currently being discussed by Eurostat and the UK Government Statistical Service. Proposals for changes to the UK NUTS structure were sent to Eurostat by the Office for National Statistics in July 1997.

Trade Barriers (South Africa)

Mr. Wigley: To ask the President of the Board of Trade what steps her Department is taking to lift trade barriers between South Africa and the European Market. [39768]

Mrs. Beckett: The Government strongly support the conclusion of a free trade area between the EU and South Africa. We believe that comprehensive market opening over a period of time in line with WTO rules will boost two-way trade and help economic development in the wider southern Africa region. As Presidency, we are supporting Commission efforts to complete negotiations with South Africa by the end of June.

Employment Rights Act (Payments)

Mr. Wills: To ask the President of the Board of Trade what factors underlay each of the 18 ex-gratia payments made by her Department under the Employment Rights Act 1996. [40419]

Mr. Ian McCartney: Of the eighteen ex gratia payments made under the Employment Rights Act 1996, eight were made to compensate for service delay beyond the Redundancy Payments Service's Charter service standards. The remaining ten payments were made to compensate redundant fishermen who lost their entitlement to take claims to an industrial tribunal as a result of misdirection by officials in the 1970s.

Part-time Workers

Mr. Rooney: To ask the President of the Board of Trade what are the number and percentage of employers employing part-time workers, broken down by size of firm; and what are the number and percentage of firms in which *(a)* at least 25 per cent. and *(b)* at least 50 per cent. of the workforce is part-time. [38855]

Mrs. Liddell: I have been asked to reply.

The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Terry Rooney, dated 5 May 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on employers employing part-time employees.

I apologise for the delay in my replying to you. The information you requested is not part of the standard set of results the ONS generates from business surveys, and new techniques had to be developed in order to generate the figures.

The information provided in the attached tables is for Great Britain and excludes enterprises classified to agriculture.

Enterprises with at least one part-time employee job by size of enterprise

Number of employees in enterprise	*Number of enterprises (000)*	*Percentage of enterprises*
Less than 5	790	55
5–9	140	69
10–19	87	74
20–49	54	80
50+	34	88
Total	1,105	59

Part-time employee jobs as a proportion of all jobs

Proportion of all jobs that are part-time	*Number of enterprises (000)*	*Percentage of enterprises*
At least 25 per cent.	901	48
At least 50 per cent.	722	38

Source:
Annual Employment Survey 1996, ONS

NORTHERN IRELAND

Seized Weapons

Mr. McNamara: To ask the Secretary of State for Northern Ireland if she will set out the rules governing disclosure of information derived from the ballistic history of seized weapons. [37809]

Mr. Ingram: It is not the general policy of the RUC for the ballistic history of seized weapons to be routinely disclosed, either because of the evidential relevance in court proceedings or because such disclosure could be of use to terrorists. In exceptional circumstances, where deemed to be in the public interest, consideration may be given to disclosure of such information in individual cases.

Decommissioning

Mr. John M. Taylor: To ask the Secretary of State for Northern Ireland what progress has been made with the decommissioning of terrorists' weapons in Northern Ireland; what steps she is taking to accelerate that progress; and if she will ensure that comprehensive decommissioning is achieved within six months. [39380]

Mr. Ingram: The Government, together with the Government of the Republic of Ireland have put in place all the mechanisms to enable decommissioning to happen.

In signing up to the Good Friday Agreement, the two Governments and the parties reaffirmed their commitment to the total disarmament of all paramilitary organisations and confirmed their intention to use their influence to achieve the decommissioning of all paramilitary arms within two years following endorsement of the Agreement. As part of the Agreement, the two Governments have undertaken to bring the relevant decommissioning schemes into force by the end of June.

BSE

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Northern Ireland what is the total number of cases of bovine spongiform encephalopathy to have occurred in cattle in Northern Ireland; and how many animals have been culled as a result of BSE in Northern Ireland to date. [39911]

Mr. Paul Murphy: 1,770 cases of BSE have occurred in Northern Ireland to date.

1,461 cohort animals have been slaughtered under the BSE selective cull and 297,500 animals have been slaughtered under the Over Thirty Months Scheme.

SCOTLAND

Surveys

Mr. Forth: To ask the Secretary of State for Scotland if he will list each information, promotional, marketing and opinion survey contract, with its value, concluded by his Department and its agencies for the years *(a)* 1997–98, *(b)* 1998–99, *(c)* 1999–2000, *(d)* 2000–01 and *(e)* 2001–02. [32018]

Mr. Dewar *[holding answer 11 March 1998]:* Information on surveys is not held centrally by my Department. Such information as is available is as follows:

Surveys	£
1997–98	
Information surveys	
The Scottish Office	
Referendum Reminder to Vote	27,000
Child Pedestrian Concept Research	2,300
Children's Panel Recruitment	1,200
Scottish Parliament at Holyrood: Transport Analysis	10,000
Marketing surveys	
Historic Scotland	
Advertising Effectiveness	10,000
Friends of Historic Scotland	8,000
Opinion surveys	
The Scottish Office	
Evaluation of 20mph Speed Reduction Initiative	13,500
Evaluation of the Impact of Subsidised Ferry Fares on the Northern and Western Isles of Scotland	69,000
An evaluation of the Scottish Road Safety Campaign's Safety Workbook Diaries	13,650
Evaluation of the "Keep Warm This Winter" Campaign	15,000
Regional Selective Assistance—Customer Awareness	13,000
Newbridge Interchange—Business Users	1,000
Highlands and Islands Enterprise	
Communications Audit/Customer Satisfaction Survey	33,500
Historic Scotland	
Visitor Profile	13,000
Registers of Scotland	
Direct Access Service—Customer Awareness	31,500
Customer Satisfaction Report Services—Customer Awareness	4,800
Scottish Court Service	
Court Users	3,300
1998–99	
Opinion surveys	
Scottish Enterprise	
Network Customer Survey	55,000
Locate in Scotland Customer Survey	25,000
Historic Scotland	
Visitor Profile	13,400
2000–01	
Highland and Islands Enterprise	
Communications Audit/Customer Satisfaction Survey	33,500

Details of further surveys for 1998–99 and subsequent years have not yet been finalised.

Cairngorm Funicular Railway

Mr. Randall: To ask the Secretary of State for Scotland how many representations he has received about the proposed funicular railway on Cairngorm; and how many of these opposed the plan. [39439]

Mr. Macdonald *[holding answer 29 April 1998]:* My right hon. Friend received 2,868 letters up to the stage when The Highland Council granted planning permission on 27 March 1997. Of these 2,689 opposed the development proposal. Since that date, a further 7,969 letters have been submitted, the majority of which result from a postcard campaign by lobby groups. Of these, 7,947 have raised objection to the detail of the proposal or have suggested that alternatives to the funicular railway should be considered.

Radioactive Waste

Mr. Matthew Taylor: To ask the Secretary of State for Scotland what records *(a)* he and *(b)* the Scottish Environment Protection Agency keep of (i) applications and (ii) authorisations for international shipments of radioactive waste; if he will place a copy of such records in the Library; and if he will make a statement. [39932]

Mr. Macdonald: Records of applications and approvals and authorisations are maintained by the Scottish Environment Protection Agency. These are in the form prescribed by the Transfrontier Shipment of Radioactive Waste Regulations 1993. I am arranging for copies of these records to be placed in the Library of the House.

Lifelong Learning

Mr. Welsh: To ask the Secretary of State for Scotland what proposals he has for *(a)* lifelong learning in Scotland and *(b)* the University for Industry in Scotland; and on what date he will publish the relevant papers. [40255]

Mr. Wilson *[holding answer 30 April 1998]:* The Government will set out their plans and priorities for progressing lifelong learning in Scotland in a consultation paper before the summer.

We announced on 25 February that there would be a distinct Scottish University for Industry, building on the strengths of the distinctive Scottish education system and taking advantage of the many successful working partnerships between education and industry. Resources totalling £1.3 million have been allocated to help finance the launch of the Scottish UfI by the year 2000. The next step will be to establish a series of development projects. A Pathfinder Prospectus which set out in general terms how the UfI will operate across the UK was published on 31 March. Further details about the Scottish UfI will be set out in the forthcoming Lifelong Learning Paper.

Learning Support Teachers

Mr. Welsh: To ask the Secretary of State for Scotland if it his policy *(a)* to increase the number of learning support teachers in Scottish schools and *(b)* that all such teachers should have at least two years experience as a classroom teacher; and what proposals he has to improve the current system of training for such teachers. [40254]

Mr. Wilson *[holding answer 30 April 1998]:* It is for education authorities to determine the number and deployment of teaching staff, including learning support teachers, necessary to meet their statutory obligation to make adequate and efficient provision for education in their area including provision for special educational needs.

For specialist training courses candidates must have qualified via a Bachelor of Education degree or equivalent degree and Post Graduate Certificate in Education and normally have at least 2 years' teaching experience.

The Scottish Office funds a project based at St. Andrews College to identify and co-ordinate education authorities' in-service training requirements in special educational needs and to match these with provision or where there is an unfilled need, to create appropriate provision.

Additional financial support of £1.5 million per annum is made available to authorities under the In-Service Special Educational Needs Training Specific Grant Scheme. In addition £0.5 million per annum is being made available for special educational needs training under our Early Intervention Programme and my right hon. Friend announced on 30 April that from April 1999 this will increase to £1 million per annum for the duration of the Programme.

Literacy and Numeracy

Mr. Welsh: To ask the Secretary of State for Scotland if he will make a statement on the early intervention scheme providing for extra tuition for young children with literacy and numeracy difficulties; and how additional funding for this scheme will be allocated. [40253]

Mr. Wilson *[holding answer 30 April 1998]:* My right hon. Friend announced on 30 April additional funding of £36 million to extend the Government's Early Intervention Programme.

The Government's contribution will double from £7 million per year to £14 million per year from April 1999 and the additional finance will permit the Programme to be extended from 3 years to 5 years.

I intend that all education authorities will benefit from these additional resources. I will consult with the Association of Directors of Education in Scotland and the Convention of Scottish Local Authorities over how the additional funding will be allocated.

Research Laboratories

Mr. Dalyell: To ask the Secretary of State for Scotland what steps he is taking to avoid duplication between Scottish Enterprise, the Commercialisation programme, the Technology Venture programme, the Connect programme, the LINC programme and other programmes in respect of commercialising and exploiting research in Scottish universities and research laboratories; and what steps he is taking to publicise these initiatives. [39480]

Mr. Wilson: Scottish Enterprise is responsible for the Technology Ventures initiative. It is not responsible for the CONNECT Programme, which is administered from the University of Edinburgh Management School, or LINC Scotland which is a network of private business investors. Members of the Technology Ventures team maintain regular contact with CONNECT and LINC Scotland on issues of mutual interest.

The Technology Ventures initiative has been publicised through a Ministerial launch of the strategy and other Ministerial engagements, various publications including an Annual Review and a quarterly newsletter, a website and events such as Technology Enterprise Shows and Commercialisation seminars. Members of the Technology Ventures team are in regular contact with and visit universities and research institutes in Scotland.

RSPB

Mr. Dalyell: To ask the Secretary of State for Scotland on how many occasions Scottish Office Ministers have met the Royal Society for the Protection of Birds since 2 May 1997; and what plans he has to meet them in the future. [40835]

Mr. Macdonald: Scottish Office Ministers, particularly my noble Friend the Minister for Agriculture, the Environment and Fisheries meet the Royal Society for the Protection of Birds frequently during the course of their Ministerial duties. We have no plans to meet the RSPB in the immediate future.

Lockerbie

Mr. Dalyell: To ask the Secretary of State for Scotland, pursuant to his oral answer of 21 April 1998, *Official Report*, column 579, what response he has had from the Lord Advocate about the interrogation of Mr. Mesbahi. [40833]

Mr. Dewar: My noble and learned Friend the Lord Advocate has indicated that there is nothing that he can properly add to what has already been said.

Autistic Children

Mrs. Ewing: To ask the Secretary of State for Scotland, pursuant to his answer of 30 March 1998, *Official Report*, column *381*, if he will alter the format of the School Census to disaggregate provision for autism; and if he has requested other information from local authorities as to their educational provision for children with autism. [40605]

Mr. Wilson: In light of increasing interest in special educational needs issues the Scottish Office are considering, in consultation with education authorities and other relevant professional bodies, proposals to identify more detailed categories of special educational needs provision in the School Census. A decision on which categories of special educational needs such as autism should be included is likely in June and will be implemented for the September 1998 census. Data on educational provision for children with autism are not obtained in any other way.

Litter

Mrs. Ewing: To ask the Secretary of State for Scotland how many prosecutions have taken place in Scotland under the Litter Act 1983; and what amounts have been levied in total as a result of such prosecutions in each year since 1983. [40571]

Mr. Dewar: The available information is set out in the table.

Persons proceeded against where the main offence is an offence under the Litter Act 1983 or related legislation[1], Scotland 1983–1996

Year of disposal	*Number of persons proceeded against*	*Number of persons [illegible] fines levied*	*Total amount of fines levied (£)*
1983	262	228	4,141
1984	205	178	4,835
1985	214	181	5,915
1986	253	220	7,040
1987	198	175	6,105
1988	311	278	8,659
1989	229	206	7,920
1990	181	153	6,665
1991	122	101	4,970
1992	83	67	3,280
1993	56	51	2,415
1994	48	43	2,730
1995	30	26	1,485
1996	29	20	1,260

[1] The figures shown include offences under any of the following acts: Litter Act 1958, Litter Act 1983 and the Environmental Protection Act 1990 (sections 87(1), 88(1), 91(9), 92(6) and 94(9) only).

Holy Loch

Dr. Godman: To ask the Secretary of State for Scotland if commercial fishing will be allowed to take place in Holy Loch once the clearance programme is completed; and if he will make a statement. [40393]

Mr. Macdonald: There is no fisheries legislation currently in place which would prevent the commencement of commercial fishing at an appropriate stage; nor are there any current plans for that. I understand, however, that the clearance programme which began earlier this year is to be spread over a number of years.

New Housing Partnership

Mr. Roy: To ask the Secretary of State for Scotland what decisions he has reached about the allocation of resources for 1998–99 under the New Housing Partnership initiative. [40932]

Mr. Macdonald: Twenty three councils are to be allocated a share of the £35 million which is available in 1998–99 under the New Housing Partnerships initiative for a range of projects to tackle Scotland's housing needs.

In December 1997, all councils were invited under the initiative to submit proposals which met certain key criteria. The bids received were first assessed by an advisory group involving the Convention of Scottish Local Authorities, Scottish Homes, the Chartered Institute of Housing in Scotland and the Scottish Federation of Housing Associations. Allocations for 1998–99 are in line with the group's recommendations. Some earmarked funding is being held back for a number of councils whose proposals met the criteria but for which further information has been sought. The balance is being held back for distribution later in the year.

The amounts being allocated are set out in the table.

£000

Council	*Amount awarded in 1998–99*
Aberdeen City	330
Clackmannanshire	780
Dumfries and Galloway	100
Dundee City	[1]—
East Ayrshire	1,261
East Dunbartonshire	[1]—
East Lothian	2,945
East Renfrewshire	25
Edinburgh City—three projects	7,718
Falkirk	200
Fife	125
Glasgow City—three projects	8,350
Highland—two projects	600
Inverclyde	33
North Ayrshire—two projects	402
North Lanarkshire—two projects	1,792
Perth and Kinross	187
Renfrewshire	93
Scottish Borders	135
Shetland	200
South Lanarkshire	[1]—
Stirling—two projects	310
West Lothian	2,600

[1] Amounts to be finalised following further development of proposals.

Labour Party Receptions

Mr. Swinney: To ask the Secretary of State for Scotland on what occasions since 1 May 1997 receptions have been held on behalf of the Scottish Labour Party in Government buildings in Scotland. [40327]

Mr. Dewar: No such functions have been held in office buildings used by my Department since 1 May 1997. In that period I have hosted two receptions for the Scottish Labour Party at Bute House, my official residence, in line with paragraph 63 of the Ministerial Code.

Continence Services

Mr. Wallace: To ask the Secretary of State for Scotland how many people were provided with continence services in each Scottish health board area, in *(a)* 1995–96, *(b)* 1996–97 and *(c)* 1997–98; and what was the cost to each Scottish health board in Scotland for the provision of continence services in *(a)* to *(c)*. [40864]

Mr. Galbraith: The information requested is not available centrally.

Tuition Fees

Mr. Welsh: To ask the Secretary of State for Scotland if he will waive tuition fees for part-time students on lower incomes at further education colleges. [40573]

Mr. Wilson: The Further Education Colleges themselves decide whether or not to waive tuition fees for part-time students. The methodology used to distribute Government grant-in-aid to Colleges already takes into account and compensates Colleges for the fees they waive.

LORD CHANCELLOR'S DEPARTMENT

Recidivism

Mr. Allan: To ask the Parliamentary Secretary, Lord Chancellor's Department what information is passed to judges and magistrates concerning the re-offending rates of those individuals they have sentenced; and if he will make a statement. [40079]

Mr. Hoon: No information is routinely passed to judges or magistrates about the re-offending of individuals they have previously sentenced. When sentencing, however, the court is given a list of the defendant's previous convictions. This shows when they were convicted and of what, and the sentences passed.

National Mediation Service

Mr. Öpik: To ask the Parliamentary Secretary, Lord Chancellor's Department what plans he has to increase the funding of the National Mediation Service; and if he will make a statement. [40128]

Mr. Hoon: There is no National Mediation Service. There are, however, a number of national organisations, to which local services are affiliated, of which some have recently received grant in aid funding for projects which will be overseen by the Legal Aid Board. These projects are essential to the development of quality assured mediation services across England and Wales. They also support the UK College of Family Mediators and National Family Mediation in their role of advancing public awareness of family mediation, and in setting, promoting and maintaining the highest standards of professional conduct and training among family mediators.

Personal Injury Claims

Mr. Kidney: To ask the Parliamentary Secretary, Lord Chancellor's Department, pursuant to his answer to the hon. Member for South Derbyshire (Mr. Todd) of 22 April 1998, *Official Report*, column *610*, on legal aid for personal injury claims, what arrangements he proposes to introduce to enable children to enter into contracts to pursue cases involving personal injury by way of conditional fee arrangements. [40010]

Mr. Hoon: Children through their next friend or guardian ad litem presently retain the services of lawyers, including through the use of conditional fee agreements. I am not aware of any need to make special provision but if my hon. Friend has any particular concern in mind perhaps he will write to me.

Reviews

Mr. Garnier: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list the reviews which have been (i) completed and (ii) initiated but not yet completed by his Department since 1 May 1997, specifying, in each case, the cost or anticipated cost of the review; and when it will be completed and reported to the House. [40869]

Mr. Hoon: In his answer of 27 April 1998, *Official Report*, columns *14–17*, the Prime Minister gave details of the reviews announced by the Government since 1 May 1997. Those reviews initiated by this Department and their completion (or planned completion dates) are listed below. Costs (including the cost of around £75,000 for the review of civil justice and legal aid included in Lord McIntosh of Haringey's answer of 7 July 1997, *Official Report, House of Lords*, columns *51–55*) are being met from existing Departmental budgets.

Mary Bell

Mr. Dawson: To ask the Parliamentary Secretary, Lord Chancellor's Department what action he intends to take in relation to media coverage of the person formerly known as Mary Bell and the High Court injunction of 30 July 1984. [40810]

Mr. Hoon: It is not for the Government to take action. Any party to the injunction may refer the matter to the court if it is thought that there has been a breach of its terms.

INTERNATIONAL DEVELOPMENT

Projects (Environmental Impact)

Mr. Matthew Taylor: To ask the Secretary of State for International Development what procedures are used by her Department to assess the economic efficiency and environmental and social impact of projects funded which fall below the one million ecu value threshold where approval by the ALA Committee is required. [40342]

Clare Short: Although the European Commission's own internal project cycle management guidance stresses the importance of environmental issues in the project cycle, continuing efforts are required to ensure this is always fully reflected in the design and implementation of projects and programmes. DFID continues to seek improvements in this area through:

- taking an active role in management committees and our informal dialogue with the Commission;
- our participation on the Commission's Scientific Environmental Monitoring Group and the forestry and water expert groups;
- providing a project leader to prepare an EC/Member States strategy for bio-diversity conservation;
- seconding a forestry specialist to work for the Commission on the management of tropical forestry programmes;
- working closely with the European Commission to develop procedural guidelines on the integration of social and environmental issues into development projects.

European Development Fund

Mr. Matthew Taylor: To ask the Secretary of State for International Development when the European Development Fund is due to be replenished; and how much the UK will be contributing. [40341]

Clare Short: The European Development Fund finances development co-operation under the Lomé Convention. The current Lomé Convention expires at the end of February 2000. Discussions on future financial co-operation will form part of the negotiations for a successor to Lomé which are expected to begin in September 1998 and be completed before the expiry of the current agreement.

Mr. Matthew Taylor: To ask the Secretary of State for International Development what are the *(a)* percentage and *(b)* amount of the UK's financial assistance to developing countries administered through (i) the European Commission and (ii) the European Development Fund in (1) the past two financial years and (2) the present financial year. [40340]

Clare Short: The European Commission administers development funds from both the European Community Budget and the European Development Fund. The percentage and the amount of the UK's financial assistance to developing countries administered through the European Commission in (1) financial year 1995–96 and (2) financial year 1996–97 and a breakdown of which of these sources it came from is detailed in the table. Figures for the present year are not yet available.

UK assistance to developing countries administered by the Commission

% from EC budget	*Amount from EC budget*	*% from EDF*	*Amount from EDF*	*Total %*	*Total amount*
(1) 11	301,733	8	223,064	19	524,797
(2) 13	323,961	6	150,832	19	474,793

UN Commission on Human Settlements

Sir Alastair Goodlad: To ask the Secretary of State for International Development what steps she proposes to take to strengthen the roles of *(a)* the UN Commission on Human Settlements and *(b)* the United Nations Centre for Human Settlements. [40153]

Clare Short: The 17th Session of the Commission will be held in April/May 1999. Our aim at that meeting will be to agree realistic priorities for the work of the Centre for Human Settlements that will help meet international poverty eradication target. Our specific objectives for the session will be discussed with interested parties in the UK. I discussed the work of the UN Centre for Human Settlements with the new UN Under Secretary-General responsible, Klaus Töpfer, earlier this year. The Government support his intention to focus the Centre's work more tightly in order to provide effective help to developing countries in tackling poverty in urban areas.

My Department is providing £300,000 of programme support to the Centre in 1998–99, and continuing our voluntary contributions to the Habitat Foundation. We also intend to provide new institutional strengthening capacity for Dr. Töpfer to carry out his reforms.

Stabex Projects

Mr. Matthew Taylor: To ask the Secretary of State for International Development what procedures are used by her Department to assess the economic efficiency and environmental and social impact of Stabex projects. [40343]

Clare Short: The UK does not in general consider STABEX an effective instrument for development co-operation. We are concerned that it is not focused on the poorest countries, it does not encourage diversification and, because of implementation delays, it has been ineffective in its objective of mitigating the impact of fluctuations in export earnings.

A recipient country's proposal for using its STABEX allocation is circulated by the Commission to all Member States for comments. My Department looks at these proposals in the same way as other Commission proposals, to see whether cross-cutting issues such as environmental and social impact, gender considerations and poverty focus have been taken into account and we feed any views back to the Commission.

Police Services

Dr. Tonge: To ask the Secretary of State for International Development if she will list the support provided by her Department for police services, broken down by country. [40612]

Clare Short: Our support for the police through the bilateral programme includes the strengthening of strategic planning, management and training capacity, the re-orientation of police services to community policing, equality of opportunity, the development of anti-drugs, fraud and corruption programmes, and strengthening of communications and record keeping. Future support will give greater priority to increasing the security of poor peoples in their communities and households and enhancing their access to justice.

Currently, we are providing support for the police in the following countries:

India
Nepal
Pakistan
Ethiopia
Jamaica
St. Kitts and Nevis
Anguilla
British Virgin Islands
Montserrat
St. Helena
Turks and Caicos Islands
Malawi
Rwanda
Zimbabwe
Kenya
Uganda
Botswana
Lesotho
South Africa
Swaziland
Palestine: Autonomous Territory
Estonia
Latvia
Lithuania
Belarus
Bulgaria
Czech Republic
Hungary
Poland
Romania
Russia
Slovak Republic
Slovenia
Mexico.

PRIME MINISTER

Al Yamamah Programme

Mr. Campbell-Savours: To ask the Prime Minister when the report dealing with Al Yamamah that was made available to the Chairman of the Committee of Public Accounts was made available to officials in the *(a)* Foreign and Commonwealth Office, *(b)* Ministry of Defence and *(c)* Home Office. [38863]

The Prime Minister *[holding answer 20 April 1998]:* The final draft of the National Audit Office report on the Al Yamamah programme made available to the Chairman of the Committee of Public Accounts was formally sent to officials in the Ministry of Defence in January 1992 and seen by officials in the Foreign and Commonwealth Office in February 1992. The report was not made available to officials in the Home Office.

Special Advisers

Mr. Forth: To ask the Prime Minister if he will list with job titles each political appointment with *(a)* No. 10 Downing Street and *(b)* the Cabinet Office since 2 May 1997. [38472]

The Prime Minister *[holding answer 20 April 1998]:* I refer the right hon. Member to the answers I gave to the hon. Member for Surrey Heath (Mr. Hawkins) on 13 November 1997, *Official Report*, columns *615–17*, and to my hon. Friend the Member for Birmingham, Erdington (Mr. Corbett) on 14 January 1998, *Official Report*, columns *233–34*.

Since I gave those answers there have been two changes to the list of Special Advisers employed in No. 10 Downing Street. Ms Fiona Miller's appointment was made full time following the resignation of Ms Roz Preston on 30 February 1998 and Mr. Andrew Adonis was appointed as a Special Adviser in the Policy Unit on 20 April 1998.

Lockerbie

Mr. Dalyell: To ask the Prime Minister, pursuant to his answer of 27 April 1998, *Official Report*, column *17*, what response he received to his statements during his visit to the Middle East on the need for progress in implementing the UN Security Council resolutions relating to Lockerbie. [40303]

The Prime Minister: In my discussions in the Middle East on Lockerbie, there was agreement on the need to resolve this tragic case, and on the importance of justice being done and being seen to be done.

Millennium Compliance

Mr. Malcolm Bruce: To ask the Prime Minister when he expects to answer the questions from the hon. Member for Gordon of 7 April on *(a)* the costs of the millennium bug (38140) and *(b)* budgets for tackling the millennium bug (38139); what factors underlie the delay in answering; and if he will make a statement. [40423]

The Prime Minister: I refer the hon. Member to the answers I gave to him on 30 April 1998, *Official Report*, columns *173–74*.

Middle East

Mr. Soames: To ask the Prime Minister if he will make a statement on the aims, objectives and results of his visit to Egypt. Jordan, Saudi Arabia and Israel. [40537]

The Prime Minister: My visit to the region was intended to reinforce our good bilateral relations with the countries visited, and also to help in the search for a way forward in the Middle East Peace Process. I believe my visit achieved those objectives.

EDUCATION AND EMPLOYMENT

Mobile Classrooms

Mr. Don Foster: To ask the Secretary of State for Education and Employment (1) how many children in

(a) primary, *(b)* secondary and *(c)* special schools were taught in HORSAs in January (i) broken down by local education authority and (ii) overall; [40574]

(2) how much playground space in *(a)* primary, *(b)* secondary and *(c)* special schools was taken up by mobile classrooms in January (i) broken down by local education authority and (ii) overall; [40569]

(3) how many children in *(a)* primary, *(b)* secondary and *(c)* special schools were taught in mobile classrooms in January (i) broken down by local education authority and (ii) overall. [40570]

Mr. Byers: The information requested is not collected centrally.

Autistic Children

Mrs. Ewing: To ask the Secretary of State for Education and Employment, pursuant to her answer of 30 March 1998, *Official Report*, column *403*, if he will make a statement on the timetable for his Department's review of research findings on educational programmes for autistic children; what review she is making of educational provision for autistic children as a result of the Written Declaration of the European Parliament; and what action she has taken to draw the Declaration to the attention of local education authorities. [40606]

Ms Estelle Morris: We have noted the European Written Declaration on the Rights of People with Autism; we believe that our policies on special educational needs are consistent with it; and we will take it into account as appropriate in our current review of provision for all children with special educational needs. The report of the autism research literature review will be published in the summer. Together with the findings of comparative research the Local Government Association is commissioning into the outcomes from some educational interventions for autism, this will help local education authorities to plan accessible and appropriate education for children with autism.

Further Education Job Losses

Mr. Chaytor: To ask the Secretary of State for Education and Employment what estimate he has received from the Further Education Funding Council of the likely number and category of job losses in the further education sector during 1998–99. [40762]

Dr. Howells: The Further Education Funding Council does not collect information from further education colleges on the number of staff they intend to employ in future years. It would not therefore be possible for the Council to estimate in advance staffing changes in the further education sector during 1998–99.

Wakefield College

Mr. Hinchliffe: To ask the Secretary of State for Education and Employment what steps he is taking concerning the future management and governance of Wakefield College following the ruling of the industrial tribunal in respect of the unfair dismissal of staff previously employed at the college; and if he will make a statement. [40542]

Dr. Howells: Further education colleges are independent bodies and as such are responsible for management issues.

We are currently consulting on proposals for changes in college governance, including representation for staff, open decision making and accountability of senior management.

Teacher Vacancies

Mr. Don Foster: To ask the Secretary of State for Education and Employment what were the teacher vacancy figures for *(a)* primary, *(b)* secondary and *(c)* special schools on 1 January. [40572]

Ms Estelle Morris: Teacher vacancy figures for 15 January 1998 will be published in a statistical press notice on 22 May 1998.

Education Action Zones

Mr. Don Foster: To ask the Secretary of State for Education and Employment if he will list all applicants to run education action zones separately identifying those applicants which are profit-seeking companies or subsidiaries of such companies. [39481]

Mr. Byers: We have received 60 applications from partnerships of various kinds and are arranging visits to most of them in May and early June. We expect to announce which applications have been successful later in June.

Policy Reviews

Mr. Dorrell: To ask the Secretary of State for Education and Employment what policy reviews are currently under-way within his Department. [40591]

Mr. Blunkett: My Department continuously reviews its policies. The following reviews were outlined in my answer to the right hon. Gentleman's previous question on Tuesday 17 February 1998, *Official Report*, columns *615–16*. These have been updated to reflect the latest position.

Departmental Spending Review

along with other Government Departments, the DfEE is undertaking a review of all its programmes and running costs expenditure as part of the Comprehensive Spending Review (CSR), including those policies which cross Departmental boundaries. The outcome of the Comprehensive Spending Review will be announced in the Summer.

Review of the threshold exempting employers with fewer than 20 employees from the employment provisions of the Disability Discrimination Act 1995

a review of the effects of the threshold exempting small employers from the employment provisions of the Disability Discrimination Act 1995. The review includes a consultation exercise which has recently ended and responses are now being considered. We will implement any change we decide upon later in the year.

Review of Qualifications Appeals Systems

announced on 16 December 1997. Preliminary conclusions are now expected in June 1998.

Countryside Commission

Mrs. May: To ask the Secretary of State for Education and Employment if he will list the members of the Countryside Commission and the criteria for their appointment. [40171]

Angela Eagle: I have been asked to reply.

I refer the hon. Member to my reply to my hon. Friend the Member for Sherwood (Mr. Tipping) on 6 April 1998, *Official Report*, column *8*.

There is scope for the representation of a wide range of interests and views among the members of the Countryside Commission. Candidates for appointment are expected to have a strong understanding of the protection or management of the countryside, outdoor recreation or related fields. Any future appointments to the Countryside Commission will also take into account the forthcoming merger with the Rural Development Commission.

DEFENCE

NATO Military Strategy Review

Ann Clwyd: To ask the Secretary of State for Defence (1) what plans he has to consult Russia in the process of NATO's review of its Strategic Concept; [40380]

(2) what plans he has to revise the nuclear paragraphs of the current NATO Strategic Concept; [40382]

(3) what plans he has to table proposals on the review of NATO's strategy; and if he will make a statement; [40381]

(4) when there will be a NATO military strategy review as outlined in MC 400–1; and if it will be a parallel process to the review of the Strategic Concept. [40387]

Dr. Reid: NATO Heads of State and Government have directed an examination, and update as necessary, of all aspects of NATO's 1991 Strategic Concept to: ensure that the Strategic Concept is fully consistent with NATO's new security situation and challenges; confirm the Allies' commitment to the core function of Alliance collective defence and the indispensable transatlantic link; preserve those aspects of the Strategic Concept that are consistent with the existing and foreseeable strategic environment and other NATO decisions and declarations since 1991; take account of the changes in the European security environment since 1991; and take into account the internal and external adaptation of the Alliance and its assumption of new roles and missions, including all relevant Ministerial decisions since 1991, while recognising that the process of transformation is an ongoing one and that the Alliance must be prepared to meet the risks and challenges of the future. The UK will play a full part in the work of the relevant political and military NATO bodies, the results of which will be presented to NATO Heads of State and Government when they meet next year. Changes in the Strategic Concept will be reflected in revisions of other documents, including the North Atlantic Military Committee's classified Directive for Military Implementation of Alliance Strategy (MC 400/1). Countries participating in the Euro-Atlantic Partnership Council will be kept informed of progress in the process as appropriate, but will not be consulted, since the Strategic Concept is an internal NATO matter and decisions will be taken on the basis of consensus among current Allies.

War Graves

Mr. Todd: To ask the Secretary of State for Defence what plans the Government have to support visits to war graves by war widows. [39682]

Mr. Spellar: Since 1985, The Royal British Legion have operated the War Widows Pilgrimage Scheme on behalf of the Ministry of Defence to provide financial assistance to any Service widow, whose husband died and was buried overseas between 1914 and 1967, to visit the grave. Although the scheme has been extended several times since its inception, current funding was due to end on 31 March 1999.

Following a recent approach by The Royal British Legion, I have agreed to an extension of the War Widows Pilgrimage Scheme for a further two years, until 31 March 2001. The Government greatly appreciate the work of The Royal British Legion who administer the scheme on our behalf. To date, this subsidised scheme has enabled over 3,000 widows to visit their husbands' graves overseas. It is hoped that the continuation of the scheme will enable many other eligible widows to do so.

Departmental Reports

Mr. Matthew Taylor: To ask the Secretary of State for Defence, pursuant to his answer of 16 March 1998, *Official Report*, column *444*, if he will place in the Library a list of the unclassified papers in the Hydrodynamics Department-Technical reports, R Series, giving the title of each paper and the date on which each was produced. [38987]

Mr. Spellar: I am withholding the information requested under Exemption 1 of the Code of Practice on Access to Government Information, covering Defence, Security and International Relations. While the individual reports are unclassified, a composite list gives a broader picture of research activity and is classified.

Army Discharges

Mr. McNamara: To ask the Secretary of State for Defence what rules govern the discharge of a serving soldier who has been convicted of a serious criminal offence and sentenced to imprisonment. [38905]

Dr. Reid *[holding answer 22 April 1998]:* Under the terms of the Queen's Regulations a soldier is to be discharged if he has been sentenced to imprisonment or to detention or to any other form of custodial sentence. However, the soldier's Commanding Officer has the option to apply through the chain of command to retain the soldier in exceptional circumstances.

Guardsmen Wright & Fisher

Mr. McNamara: To ask the Secretary of State for Defence if his Department classifies Guardsmen Wright and Fisher as serving soldiers. [38906]

Dr. Reid *[holding answer 22 April 1998]:* Army Board consideration of the question of discharge of Guardsmen Fisher and Wright has been deferred pending the outcome of appeal and judicial review processes initiated by the two Guardsmen. Guardsmen Fisher and Wright are, therefore, classified as serving soldiers although they

are not entitled to any pay during their period of imprisonment, nor does that period count as reckonable service for pension purposes.

Reserves

Mr. Key: To ask the Secretary of State for Defence how many sea-going posts were available, by ship, to Royal Naval reservists in *(a)* 1993 and *(b)* 1998. [39629]

Dr. Reid: In 1993, the Royal Naval Reserve (RNR) had its own dedicated squadron of nine River Class minesweepers, supporting a sea-training programme totalling 25,480 man-days per year.

As a result of the restructuring of the RNR during 1994, this squadron of vessels was disbanded. Instead, it was decided to provide training opportunities to RNR personnel throughout the Fleet and alongside Regular RN personnel, thus providing them with exposure to a wider range of vessels and operations. This resulted in 33,284 man-days training at sea being available during 1997–98. Not all of these available days were taken up by Reserve personnel. It should be noted that the flexibility provided by the Reserve Forces Act 1996 permits greater deployment of RNR personnel in other capacities, shorebased as well as seagoing.

Departmental Buildings

Mr. Burstow: To ask the Secretary of State for Defence what were the refurbishment costs of the India Office Records building at the Cut in Blackfriars Road. [40110]

Mr. Spellar: The building referred to is not a Ministry of Defence property and no record exists of any contract being let for refurbishment work by the Ministry of Defence.

Chatham Dockyard

Mr. Shaw: To ask the Secretary of State for Defence if he will list the nuclear-powered submarines which berthed at Chatham Dockyard for *(a)* refuelling and refitting, *(b)* refitting, *(c)* special docking, *(d)* dockings and essential repairs and *(e)* decommissioning while the refit facility was operational, giving the dates on which each boat was berthed and the estimated and measured collective radioactive dose transferred to the civilian workforce for each boat operation listed. [38788]

Mr. Spellar: The list of submarines is given. There was no requirement to keep statistics of dosage in the form requested and the figures are estimates. They are given in man-sieverts (the result of adding the dose of each individual as measured by personal dosimeter).

Dates	*Submarine*	*Project*	*Collective dose*
December 1966-January 1967	Valiant	Docking/survey	[1]—
June 1967-August 1967	Valiant	DDED	[1]—
March 1968-June 1968	Warspite	DDED	[1]—
July 1968-September 1968	Valiant	DDED	[1]—
December 1968-February 1969	Valiant	DDED	[1]—
May 1969-July 1969	Warspite	DDED	[1]—
August 1969-September 1969	Valiant	DDED	[1]—
April 1970-May 1972	Valiant	Refit/refuel	12
October 1970-December 1970	Warspite	DDED	[1]—
June 1971-October 1973	Warspite	Refit/refuel	18
October 1972-January 1973	Dreadnought	DDED	[1]—
April 1973-June 1973	Churchill	DDED	[1]—
July 1973-October 1973	Conqueror	DDED	[1]—
February 1974	Warspite	Docking	[1]—
December 1973-October 1975	Churchill	Refit/refuel	8
May 1974-October 1976	Dreadnought	Refit/refuel	17
October 1975-June 1977	Conqueror	Refit/refuel	8
November 1976-July 1978	Courageous	Refit/refuel	8
April 1977-January 1978	Sovereign	Special docking	1.5
January 1978-February 1980	Valiant	Refit/refuel	12
February 1979-May 1979	Dreadnought	DDED	[1]—
August 1979-March 1982	Warspite	Refit/refuel	13
January 1980-June 1980	Conqueror	DDED	[1]—
May 1980-September 1980	Couragous	DDED	[1]—
October 1980-May 1983	Churchill	Refit/refuel	6
March 1982-March 1983	Dreadnought	Decommissioning	[1]—

[1] The dosage for Dockings and Docking and Essential Defects (DDED) was very small, at approximately 0.1 man sieverts.

In addition, decontamination and closure of the refit facility contributed a further 0.085 man-sieverts.

Mr. Shaw: To ask the Secretary of State for Defence what progress he has made with the reconstruction of dosage records for ex-Chatham Dockyard workers announced in June 1997. [38786]

Mr. Spellar: Circumstances requiring dose reconstruction have not yet arisen in any cases considered under the Nuclear Industry Compensation Scheme.

If a former radiation worker sought compensation under the Compensation Scheme and if the Ministry of Defence could find no dose records for him, it would calculate the maximum statutory level of exposure permitted for workers in his category. If this would justify a payment under the Scheme, the Ministry of Defence would then calculate the dose the claimant could be assumed to have received by reference to the dose records of other radiation workers who performed similar work in similar circumstances. This approach has been agreed with the Trade Union representatives on the Management Board for the Compensation Scheme.

Mr. Shaw: To ask the Secretary of State for Defence how many people were employed in total at Chatham Dockyard on the nuclear refit facility while the facility was operational. [38787]

Mr. Spellar: At a very rough estimate, between 2,000 and 3,000 civilian radiation workers worked on submarines at Chatham between 1983 and 1996. This is calculated on the basis that at any one time the numbers of classified workers and approved scheme workers are believed to have totalled around 1,500 and that there is believed to have been an annual turnover of about 150.

To establish a reliable figure would require a search of all my Department's archived civilian personnel files, which are indexed only by name and date of birth. This could be done only at disproportionate cost.

Eurofighter

Mr. Hoyle: To ask the Secretary of State for Defence if he will make a statement on his Department's requirement for the Beyond Visual Range Missile for Eurofighter. [39660]

Mr. Spellar: Tenders have been invited from industry to satisfy the requirement for a Beyond Visual Range Air to Air Missile to equip Eurofighter and are due to be submitted later this month.

Recruitment and Training

Mr. Rapson: To ask the Secretary of State for Defence, pursuant to his answer to the hon. Member for Dunfermline, West (Ms Squire) of 5 February 1998, *Official Report*, column *763–64*, if he will make a statement on the current status of the partnering arrangement between the Naval Recruiting and Training Agency and Flagship Training Ltd. [40996]

Dr. Reid: I have decided that, following the outcome of the formal consultation, the transfer of activities in the General, Administrative and Support areas of the Naval Recruiting and Training Agency to Flagship Training Ltd. should proceed. The transfer of activities and employees will commence in a phased manner on 22 June 1998.

Military Attachés

Mr. Soames: To ask the Secretary of State for Defence if he will list *(a)* the countries to which military attachés are posted and *(b)* the military attachés by rank and service. [40773]

Dr. Reid: Military attachés are posted to the following countries; their rank and service are also indicated:

Country	*Capital*	*Rank*	*Service*
Argentina	Buenos Aires*	Group Captain	RAF
Argentina	Buenos Aires*	Colonel	Army
Australia	Canberra	Commodore	RN
Australia	Canberra*	Colonel	Army
Australia	Canberra	Group Captain	RAF
Austria	Vienna*	Lieutenant Colonel	Army
Bangladesh	Dhaka	Colonel	Army
Barbados	Bridgetown*	Captain	RN
Belgium	Brussels*	Colonel	Army
Brazil	Brasilia	Colonel	Army
Brazil	Brasilia	Captain	RN
Bulgaria	Sofia*	Colonel	Army
Canada	Ottawa	Brigadier	Army
Canada	Ottawa	Group Captain	RAF
Chile	Santiago	Captain	RN
China	Peking	Brigadier	Army
China	Peking	Captain	RN
Colombia	Bogota*	Colonel	Army
Croatia	Zagreb	Lieutenant Colonel	Army
Cyprus	Nicosia	Colonel	Army
Czech Republic	Prague	Colonel	Army
Denmark	Copenhagen	Commander	RN
Egypt	Cairo	Colonel	Army
Egypt	Cairo	Commander	RN
Eire	Dublin	Colonel	Army
Finland	Helsinki*	Lieutenant Colonel	Army
France	Paris	Air Commodore	RAF
France	Paris	Captain	RN
France	Paris	Brigadier	Army
France	Paris	Wing Commander	RAF
Germany	Bonn	Brigadier	Army
Germany	Bonn	Captain	RN
Germany	Bonn	Group Captain	RAF
Germany	Bonn	Major	Army
Ghana	Accra*	Lieutenant Colonel	Army
Greece	Athens	Brigadier	Army
Greece	Athens	Captain	RN
Guatemala	Guatemala City*	Colonel	Army
Hungary	Budapest	Colonel	Army
India	New Delhi	Brigadier	Army
India	New Delhi	Captain	RN
India	New Delhi	Group Captain	RAF
Indonesia	Jakarta	Colonel	Army
Israel	Tel Aviv	Colonel	Army
Israel	Tel Aviv	Wing Commander	RAF
Italy	Rome	Brigadier	Army
Italy	Rome*	Captain	RN
Italy	Rome	Group Captain	RAF
Jamaica	Kingston*	Colonel	Army
Japan	Tokyo	Captain	RN
Japan	Tokyo	Group Captain	RAF
Jordan	Amman	Colonel	Army
Jordan	Amman	Wing Commander	RAF
Kenya	Nairobi*	Colonel	Army
Kuwait	Kuwait City	Colonel	Army
Latvia	Riga*	Lieutenant Colonel	Army
Lebanon	Beirut	Lieutenant Colonel	Army
Malaysia	Kuala Lumpur*	Colonel	Army
Malaysia	Kuala Lumpur	Lieutenant Commander	RN
Mexico	Mexico City*	Colonel	Army
Morocco	Rabat*	Lieutenant Colonel	Army
Nepal	Kathmandu	Colonel	Army
New Zealand	Wellington*	Colonel	Army
Netherlands	The Hague	Captain	RN
Netherlands	The Hague	Lieutenant Colonel	Army
Norway	Oslo	Lieutenant Colonel RM	RM
Norway	Oslo	Lieutenant Colonel	Army
Oman	Muscat	Brigadier	Army
Oman	Muscat	Commander	RN
Pakistan	Islamabad	Brigadier	Army
Pakistan	Islamabad	Captain	RN
Poland	Warsaw	Group Captain	RAF
Poland	Warsaw	Lieutenant Colonel	Army
Portugal	Lisbon	Commander	RN
Philippines	Manila	Group Captain	RAF
Qatar	Doha	Wing Commander	RAF
Romania	Bucharest	Colonel	Army
Russia	Moscow*	Air Commodore	RAF
Russia	Moscow*	Captain	RN
Russia	Moscow*	Colonel	Army
Russia	Moscow*	Lieutenant Commander	RN
Russia	Moscow*	Major	Army
Russia	Moscow*	Squadron Leader	RAF
Saudi Arabia	Riyadh*	Brigadier	Army
Saudi Arabia	Riyadh*	Commander	RN
Saudi Arabia	Riyadh*	Wing Commander	RAF
Singapore	Singapore*	Group Captain	RAF
Singapore	Singapore	Commander	RN
Slovakia	Bratislava	Wing Commander	RAF
South Africa	Pretoria*	Brigadier	Army
South Africa	Pretoria*	Commander	RN

Country	Capital	Rank	Service
South Korea	Seoul	Brigadier	Army
South Korea	Seoul	Group Captain	RAF
Spain	Madrid	Captain	RN
Spain	Madrid	Colonel	Army
Sri Lanka	Colombo	Lieutenant Colonel	Army
Sweden	Stockholm	Wing Commander	RAF
Sweden	Stockholm	Commander	RN
Switzerland	Berne	Lieutenant Colonel	Army
Syria	Damascus	Colonel	Army
Thailand	Bangkok	Colonel	Army
Turkey	Ankara	Brigadier	Army
Turkey	Ankara	Wing Commander	RAF
UAE	Abu Dhabi	Colonel	Army
UAE	Abu Dhabi	Wing Commander	RAF
Uganda	Kampala*	Lieutenant Colonel	Army
Ukraine	Kyiv	Captain	RN
USA	Washington DC	Major General	Army
USA	Washington DC	Commodore	RN
USA	Washington DC	Brigadier	Army
USA	Washington DC	Air Commodore	RAF
USA	Washington DC	Lieutenant Colonel RM	RM
USA	Washington DC	Colonel	Army
USA	Washington DC	Group Captain	RAF
USA	Washington DC	Colonel	Army
Venezuela	Caracas*	Colonel RM	RM
FR of Yugoslavia	Belgrade	Colonel	Army
Zimbabwe	Harare*	Colonel	Army

Note:
Posts annotated with * also hold non-residential attaché accreditations to other capitals in adjacent or nearby countries, which they visit on a regular basis.

Loan Services Personnel

Mr. Soames: To ask the Secretary of State for Defence to which countries loan services personnel are posted; and if he will list them by service and rank. [40772]

Dr. Reid: The service and rank of loan service personnel is listed for each country in which they are deployed in the table.

Country	Navy	Army	Air Force
Angola	—	1 Lt. Col.	—
Antarctica	—	3 SNCO	—
Antigua	1 Lt. Cdr.	—	—
Australia	—	—	4 Flt. Lt.
Barbados	1 Capt. (RM)	—	—
	2 SNCO (RM)	—	—
	1 Cdr.	—	—
	1 Lt. Cdr.	—	—
	4 SNCO	—	—
Bahrain	1 Cdr.	—	—
Bermuda	—	1 Maj.	—
	—	2 SNCO	—
British Virgin Islands	1 Lt. Cdr.	—	—
	1 SNCO	—	—
Brunei	6 Lt. Cdr.	3 Lt. Col.	6 Sqn. Leader.
	6 SNCO	13 Maj.	5 Flt. Lt.
	—	2 Capt.	5 SNCO
	—	14 SNCO	—
Latvia	1 Capt. (RM)	1 Capt.	—
	2 SNCO (RM)	—	—
Czech Republic	—	—	1 Air Cdre.
Ethiopia	—	1 Lt. Col.	—
Germany	—	—	1 Gp. Capt.
	—	—	3 Wg. Cdr.
	—	—	8 Sqn. Leader.
	—	—	8 Flt. Lt.
	—	—	4 SNCO
Ghana	1 Lt. Col. (RM)	1 Col.	—
	—	1 Lt. Col.	—
	—	1 SNCO	—
Indonesia	—	—	1 Sqn. Leader.
	—	—	1 Flt. Lt.
Italy	—	—	1 Sqn. Leader.
	—	—	1 Flt. Lt.
	—	—	3 SNCO
Kenya	—	1 Lt. Col.	—
Kuwait	1 Lt. Col. (RM)	1 Brig.	3 Wg. Cdr.
	1 Lt. Cdr.	2 Col.	3 Sqn. Leader.
	—	17 Lt. Col.	3 SNCO
	—	8 Maj.	—
	—	2 Capt.	—
	—	16 SNCO	—
Malaysia	—	—	1 Wg. Cdr.
	—	—	1 Sqn. Leader.
	—	—	1 SNCO
Mauritius	—	1 Lt. Col.	—
Oman	1 Capt. (RM)	1 Maj. Gen.	1 Gp. Capt.
	5 Cdr.	1 Col.	2 Wg. Cdr.
	7 Lt. Cdr.	5 Lt. Col.	8 Sqn. Leader.
	1 Lt.	13 Maj.	3 Flt. Lt.
	4 SNCO	4 Capt.	10 SNCO
	—	28 SNCO	—
Saudi Arabia	2 Lt. Cdr.	1 Brig.	1 Air Msl.
	3 SNCO	1 Col.	1 Air Cdre.
	—	9 Lt. Col.	1 Gp. Capt.
	—	3 Maj.	8 Wg. Cdr.
	—	5 SNCO	17 Sqn. Leader.
	—	—	24 Flt. Lt.
	—	—	17 SNCO
	—	—	3 NCO
Singapore	—	1 Capt.	—
South Africa	1 Lt. Col. (RM)	1 Brig.	1 Wg. Cdr.
	—	1 Col.	1 Sqn. Leader.
	—	2 Lt. Col.	—
	—	1 SNCO	—
Sri Lanka	—	1 Col.	—
Turks and Caicos Islands	1 Lt. Cdr.	—	1 Sqn. Leader.
	1 SNCO	—	1 SNCO
United Arab Emirates	1 Cdr.	1 Col.	1 Wg. Cdr.
	—	1 Lt. Col.	1 Sqn. Leader.
	—	2 Maj.	2 Flt. Lt.
	—	1 SNCO	1 SNCO
Zimbabwe	—	1 Brig.	2 Wg. Cdr.
	—	1 Col.	—
	—	5 Lt. Col.	—
	—	2 SNCO	—

Mr. Soames: To ask the Secretary of State for Defence if he will list by composition and country the number of training teams currently deployed. [40769]

Dr. Reid: Eight British Military Advisory and Training Teams or Short Term Training Teams are currently deployed. The countries where they are located and the service from which they are drawn are as follows:

Country	Composition
Barbados/Antigua	Navy
Chile	Army/Air Force
Estonia	Army
Ghana	Navy/Army
Kuwait	Navy/Army/Air Force
Latvia	Navy/Army
South Africa	Navy/Army/Air Force
Zimbabwe	Army/Air Force

This does not include individual personnel on loan service outside formal training teams.

Military Staff (Training)

Mr. Soames: To ask the Secretary of State for Defence if he will list the countries which have military staff under training in the United Kingdom; at which establishments such training is taking place; and what numbers, and from which countries, are at each establishment. [40774]

Dr. Reid: The countries which have military staff under training in the UK together with the numbers of students from each country are shown in the table.

Country	*Number of military staff being trained*
Angola	2
Australia	22
Bahrain	5
Bangladesh	7
Barbados	4
Belgium	4
Belize	10
Bermuda	2
Botswana	7
Brazil	1
Brunei	56
Bulgaria	1
Canada	35
Chile	7
China	1
Czech Republic	4
Denmark	4
Egypt	4
Fiji	5
Finland	4
France	5
Germany	11
Ghana	7
Greece	5
Guatemala	2
Guyana	2
Hong Kong	1
Hungary	5
India	7
Indonesia	3
Ireland	4
Israel	2
Italy	8
Jamaica	17
Japan	3
Jordan	8
Kenya	2
Korea	3
Kuwait	78
Latvia	1
Lebanon	2
Lithuania	2
Malawi	3
Malaysia	9
Malta	2
Mauritania	2
Mauritius	2
Mozambique	3
Nepal	2
Netherlands	21
New Zealand	5
Norway	10
Oman	76
Pakistan	16
Papua New Guinea	1
Philippines	2
Poland	7
Qatar	38
Romania	2
Saudi Arabia	13
Senegal	2
Seychelles	1
Singapore	16
Slovakia	3
South Africa	5
Spain	2
Sweden	3
Switzerland	1
Tanzania	2
Thailand	11
Trindad & Tobago	2
Turkey	2
United Arab Emirates	21
Uganda	1
Ukraine	2
Uruguay	1
USA	11
Zambia	1
Zimbabwe	7

The establishments at which this training is being carried out are:

Royal College of Defence Studies
Empire Test Pilot School
HMS Heron
RN Hydrography School
Britannia Royal Naval College Dartmouth
School of Maritime Operation HMS Dryad
RN Lympstone
RM Portsmouth
HMS Sultan
HMS Collingwood
RM Poole
RN Submarine School
Defence Diving School
HMS Seahawk
HMS Osprey
Royal Military College of Science, Shrivenham
Royal Military Academy, Sandhurst
Joint Services Command and Staff Course, Bracknell
School of Logistics
Royal School of Signals
HQ Construction Engineer School
Combat Engineer School
School of Electronic and Aeronautical Engineering
Defence School of Languages
RMP Chichester
Defence Explosive Ordnance Disposal School
Army School of Ammunition
Surveillance Target Acquisition Night Observational and Counter Surveillance Centre
School of Physical Training
Combined Arms Tactics Centre
Mine Warfare Centre
Royal School of Artillery
Defence Nuclear, Biological and Chemical Centre
Infantry Training Centre, Wales
Infantry Training Centre, Warminster
Infantry Training Centre, Catterick
Royal Military School of Music

Pirbright
School of Electrical and Mechanical Engineering
Royal Armoured Corps Centre
Defence Intelligence and Security Centre
RE Chattenden
Royal Defence Medical College
Joint Air Transport Establishment
HQ Hereford Garrison
HQ Directorate of Army Aviation
Royal Military Police Training School
Adjutant General Corps Training Group
Army School of Training Support
School of Military Survey
RAF Bentley Priory
RAF Boulmer
RAF Brize Norton
RAF Coltishall
RAF Cosford
RAF Cranwell
RAF Halton
RAF Henlow
RAF Honington
RAF Leeming
RAF Linton-on-Ouse
RAF Locking
RAF Lossiemouth
RAF Lyneham
RAF Odiham
RAF St. Athan
RAF St. Mawgan
RAF Sam (Farnborough)
RAF Shawbury
RAF Valley
RAF Waddington.

Information on the numbers of military staff from each country that are trained at each establishment is not held centrally and could be obtained only at disproportionate cost.

Reviews

Mr. Key: To ask the Secretary of State for Defence if he will list the reviews set in train in his Department and its agencies since 2 May 1997, indicating their terms of reference, cost and starting and finishing dates. [40603]

Mr. George Robertson: We have set up two major reviews in addition to work which is part of the normal on-going activity of the Department and its Agencies. These are: the Strategic Defence Review; and the Review of compensation arrangements for members of the Armed Forces (or their dependants) when they suffer illness, injury or death.

The scope of the Strategic Defence Review was set out in the answer given to the hon. Member on 19 May 1997, *Official Report*, column *17*, and work started on 28 May. A package of proposals has been submitted to the Cabinet for collective discussion and decision.

The scope of the Compensation Review was set out in the answer given to my hon. Friend the Member for Clwyd, West (Mr. Thomas) by my hon. Friend the Minister for the Armed Forces on 8 December 1997, *Official Report*, columns *440–41*. Work on this Review is due to be completed this summer. For both Reviews maximum use has been made of existing structures although for the Strategic Defence Review extra costs have been incurred, particularly in the provision of external consultancy advice and outside consultation. It is too early to give definitive costs.

Joint Services Staff College

Mr. Soames: To ask the Secretary of State for Defence what is the timetable for the building and completion of the new joint services staff college. [40771]

Dr. Reid: Subject to acceptable contract terms and conditions being agreed with the Preferred Bidder, construction work on the new Joint Services' Command and Staff College at Shrivenham should begin shortly, resulting in a revised opening date of September 2000.

Departmental Employees (Scotland)

Mr. Donohoe: To ask the Secretary of State for Defence how many staff are employed in Scotland by his Department, or executive agencies responsible to his Department; and where those staff are located. [36216]

Mr. Spellar *[pursuant to his reply, 30 March 1998, c. 414]:* I regret that the information provided contained some errors.

Owing to a coding misallocation, personnel employed by the Naval Base and Supplies Agency were included as "Other MOD staff" rather than "Staff employed by agencies". Some of these personnel had also been allocated to the Dumbarton and Clydebank Local Authority Area rather than the Argyll and Bute Local Authority Area.

These amendments have been made. The correct information is set out in the table.

Permanent UK based MoD civilian personnel deployed in Scotland—1 January 1998[1]

Local Authority area	*Total*	*Staff employed by agencies*	*Other MoD staff*
All areas	9,866	7,085	2,782
Aberdeenshire	82	—	82
Angus	121	9	112
Argyll and Bute	3,292	3,170	122
Borders	1	—	1
City of Aberdeen	96	79	17
City of Dundee	60	36	24
City of Edinburgh	362	89	273
City of Glasgow	1,836	1,305	530
Dumbarton and Clydebank	41	9	32
Dumfries and Galloway	69	44	25
East Dumbarton	6	—	6
East Lothian	154	8	146
Falkirk	3	—	3
Fife	1,224	866	358
Highland	77	38	39
Inverclyde	54	51	3
Midlothian	84	70	14

Permanent UK based MoD civilian personnel deployed in Scotland—1 January 1998[1]

Local Authority area	*Total*	*Staff employed by agencies*	*Other MoD staff*
Moray	648	28	620
North Ayrshire	615	577	38
North Lanarkshire	2	—	2
Orkney	5	5	—
Perthshire and Kinross	440	379	61
Renfrewshire	25	22	3
Shetland	51	13	38
South Ayrshire	59	18	41
South Lanarkshire	7	—	7
Stirling	355	261	94
West Lothian	3	—	3
Western Isles	96	9	87

[1] Figures are given in terms of full time equivalence (FTE). This means that part time staff are counted as the proportion of full-time hours worked. Hence, totals may not equal the sum of the parts due to rounding. Casual staff are excluded from this table.

WALES

Correspondence

Sir Raymond Powell: To ask the Secretary of State for Wales if he will publish in the *Official Report* the letter sent to the hon. Member for Ogmore on 21 April on hospital beds in Wales. [39848]

Mr. Win Griffiths: A copy of my letter is as follows.

In my written answer to you on Monday 6 April (Hansard, Vol. 310, No. 154, Col. 211) I said I would write to you regarding the information sought in your question about hospital beds.

The enclosed table shows the average daily number of available beds in each hospital in Wales in each of the quarters ending 31 December 1991, 31 March 1997 and 31 December 1997. The data are collected on a quarterly basis and so it is not possible to show the number of beds on specific dates.

However, due to the changes in the way individual hospitals have been administered over the past six years (new units opening and subsequent transfer of beds for example) changes in the number of beds in individual hospitals should be treated with caution.

I hope this is helpful.

Average daily available beds

Hospital	*Quarter ending* 31 December 1991	31 March 1997	31 December 1997
Aberaeron	14	14	13
Aberbargoed and District	25	28	28
Aberdare General	122	88	86
Abergele	65	77	70
Abertillery and District	69	34	34
Ablett Unit	—	73	71
Allt-yr-yn	73	Closed August 1994	—
Amman Valley	28	28	28
Barry Community	34	Closed June 1995	See The Barry Hospital
Blaenavon Health Care Unit	10	10	10
Blaina and District	47	47	47
Bodfaen MI Unit	—	6	6
Breconshire War Memorial	40	76	76
Bridgend General	173	146	124
Boddyfi Community	49	43	43
Bronglais General	196	144	144
Bronllys	84	72	72
Bronygarth	31	31	31
Broughton	23	Closed October 1994	—
Bryn-y-Neuadd	224	168	165
Bryn Beryl	43	44	44
Brynhyfryd	—	40	Closed March 1997
Brynseiont	43	43	38
Bryntirion	59	30	30
Builth Wells Cottage	23	23	23
Caerphilly District Miners	184	137	133
Cardiff Royal Infirmary	376	254	249
Cardigan and District Memorial	30	25	25
Catherine Gladstone	21	Closed May 1992	See Deeside Community
Cefn Coed	339	277	263
Cefni	—	35	35
Chepstow Community	—	81	81
Children's ENT	18	Closed October 1992	—
Chirk Community	31	31	31
Coed Du	23	Closed November 1993	—
Coed Llys Mental Health Resource Centre	—	8	8
Colwyn Bay Community	42	58	58
Conwy	67	55	59
County	75	95	92
Cymla	60	43	27
Deeside Community	—	31	31
Denbigh Community	52	41	43
Dewi Sant	100	107	94
Dobshill	62	47	47

Average daily available beds

Hospital	*31 December 1991*	*Quarter ending 31 March 1997*	*31 December 1997*
Dolgellau and Barmouth District	33	32	26
Druid	38	Closed March 1993	—
Dryll y Car	[1]—	8	8
East Glamorgan General	461	457	463
East Glamorgan psychiatric	70	70	76
Ebbw Vale	40	40	27
Ely	313	145	141
Energlyn	29	Closed January 1993	—
Eryri	36	36	36
Fairwood	17	18	17
Ffestiniog Memorial	17	17	17
Flint Community	18	18	18
Garngoch	40	40	40
Garth Angharad	11	Closed March 1993	—
Glanrhyd	204	213	203
Gorseinon Units	24	Transferred to UA April 1995	—
Groeswen	50	50	49
Gwynfa Residential Unit	18	17	Closed March 1997
Gwynfryn Unit	[1]—	15	15
H. M. Stanley	219	28	28
Hensol	317	188	180
Hill House	90	85	85
Holywell Community	19	18	18
Knighton	20	20	20
Lansdowne	125	98	117
Llandough	474	477	469
Llandovery	18	18	18
Llandrindod Wells	66	66	50
Llandudno General	148	119	115
Llandudno MI Unit	16	16	16
Llanfrechfa Grange	207	90	90
Llangollen Community	18	18	18
Llanidloes and District War Memorial	40	38	38
Lluesty	44	30	30
Llwyn-y-Groes Unit	[2]—	92	92
Llwyn View	12	Closed March 1993	—
Llwyneryr	35	12	12
Llwynypia	129	138	134
Llynfi	20	8	8
Llys Maldwyn	57	57	57
Maesgwyn	60	50	45
Maesteg	45	23	26
Mardy	85	100	51
Meadowslea	54	43	42
Mid Wales	243	136	131
Minfordd	16	26	26
Mold Community	40	40	40
Monmouth General	25	25	25
Montgomeryshire County Infirmary	48	48	48
Morriston[2]	616	773	737
Mount Pleasant (Gwent)	86	Closed March 1994	—
Mount Pleasant (West Glamorgan)	83	Closed March 1994	—
Mountain Ash General	23	47	48
Mynydd Mawr	50	39	38
Neath General	326	256	239
Nevill Hall	442	397	381
North Road Hospital	71	43	33
North Wales	380	Closed November 1995	—
North Wales Adolescent Service	[1]—	—	23
Oakdale	20	20	20
Parc	215	Closed September 1994	—
Pen-y-Fal	316	350	Closed August 1997
Pen y Fai	159	Closed September 1995	—
Penley	32	16	16
Penrhos Stanley	[1]—	53	53
Pentwyn	4	Closed November 1991	—
Pontypool and District	44	Closed September 1993. Services transferred to County	—
Pontypridd and District	[1]—	12	12
Port Talbot General	27	Ceased treating in-patients June 1994	—
Porth and District	29	23	25
Prestatyn Community	12	12	12

Average daily available beds

Hospital	*31 December 1991*	*Quarter ending 31 March 1997*	*31 December 1997*
Prince Charles	447	442	438
Prince of Wales	121	92	56
Prince Philip	209	214	225
Princess of Wales	395	409	487
Redwood Memorial	21	21	21
Rhiwfelin	26	Closed December 1991	—
Rookwood	101	85	88
Royal Alexandra	54	67	67
Royal Gwent	643	725	749
Royal Hamadryad	50	50	47
Ruthin Community	48	45	47
Singleton	530	472	479
South Pembrokeshire	63	51	55
St. Cadoc's	309	190	175
St. David's (Dyfed)	378	269	272
St. David's (Gwynedd)	130	Closed September 1994	—
St. David's (Powys)	25	Closed January 1994. Beds transferred to Breconshire War Memorial	—
St. Lawrence	128	Closed September 1994. Services transferred to Morriston	—
St. Tydfil's	140	114	141
St. Woolos	317	189	128
Stanley Sailors	17	Closed February 1995. See Penrhos Stanley	—
Sully	175	67	68
Talygarn Rehabilitation Centre	49	Closed September 1992	—
Tenby Cottage	16	16	15
The Barry Hospital	—	94	100
Tonna	80	80	80
Toneg	40	22	22
Tredegar General	58	58	58
Tregaron	30	28	29
Treherbert	33	33	31
Trevalyn	34	32	32
Tyntyla	47	Closed November 1991	—
Tywyn and District War Memorial	28	26	26
University Hospital of Wales	871	868	874
Valley	28	Closed February 1996	—
Velindre	95	86	83
Victoria Memorial	53	45	45
West Wales General	445	418	420
Whitchurch	379	289	316
Withybush General	375	339	333
Wrexham Maelor	656	586	576
Ysbyty George Thomas	65	75	75
Ysbyty Glan Clwyd	379	519	520
Ysbyty Gwynedd	504	529	525
Ysbyty Gwynedd Psychiatric	[1]—	62	62
Ystrad Mynach	114	100	93
Ystrad Mynach Bungalow Unit	[4]—	10	9
Ystradgynlais Community	50	52	52

[1] Not open at this date.
[2] Included with Wrexham Maelor.
[3] Includes Clydach War Memorial and Gorseinon.
[4] Included with Ystrad Mynach.

Beaches

Mr. Llwyd: To ask the Secretary of State for Wales (1) how much has been spent in the last five years cleaning up the Welsh beaches; [40467]

(2) what initiatives are being pursued to ensure that Welsh beaches comply with the European Union mandatory standard. [40473]

Mr. Win Griffiths: This Government are committed to complying with the EC Bathing Water Directive (76/160/EEC). Last year 60 of the 64 EC identified bathing waters on the Welsh coastline met the mandatory bacteriological standards set in the Directive. This compliance rate of 94 per cent. was the highest ever achieved in Wales.

In the last five years (1992/93–1996/97) Dwr Cymru has spent £230 million on improvements to its discharges into coastal waters. The company is playing a major role in the Green Sea initiative, a collaborative venture working toward the target of 50 Blue Flag beaches in Wales. To achieve Blue Flag status, water quality will need to attain the even more stringent guideline standards

set in the EC Directive, as well as meeting various land based criteria. 31 of the 64 EC identified bathing waters monitored in Wales in 1997 met the guideline standards.

Sewage

Mr. Llwyd: To ask the Secretary of State for Wales what regulations are enforced to govern the amount of sewage that is discharged into the sea. [40474]

Mr. Win Griffiths: Under the Water Resources Act 1991 the discharge of effluent into controlled waters, including coastal waters, is a criminal offence unless the discharger has obtained, and subsequently complies with, a discharge consent from the Environment Agency. Schedule 10 of that Act specifies the conditions which may be included in such consents and this enables the Agency to include conditions relating to volume.

Welsh Assembly

Mr. Evans: To ask the Secretary of State for Wales when the building work for the new assembly building will *(a)* begin and *(b)* finish; and what will be the total cost. [40590]

Mr. Ron Davies: The precise timescale for the construction of the Assembly and the precise costs will be affected by the outcome of the design competition, which I am to launch shortly.

Mr. Evans: To ask the Secretary of State for Wales what was the total cost to his Department of conducting the Assembly bids. [40608]

Mr. Ron Davies: I refer the hon Member to the reply I gave him on 14 January 1998, *Official Report*, column *215*.

Mr. Evans: To ask the Secretary of State for Wales what is the estimated cost of refurbishment of Crickhowell House temporarily to house the Assembly. [40609]

Mr. Ron Davies: The costs of adapting the building, and relocating staff, are not expected to exceed £1 million.

Mr. Evans: To ask the Secretary of State for Wales what will be the cost to this Department of *(a)* road building and *(b)* other infrastructure building which will service the new Assembly building. [40588]

Mr. Ron Davies: The PFI signed on 28 April between Cardiff Bay Development Corporation and Citylink will include construction of Bute Square and Bute Avenue. This infrastructure will meet the CBDC's key objective of linking Cardiff city centre with the waterfront and will provide important road access to developments within the Inner Harbour. However, the design of the Avenue which has formed the basis of the negotiations with Citylink, is not related in any way to the decision on the location of the National Assembly building and no costs arise for the PFI in the light of that decision.

Mr. Evans: To ask the Secretary of State for Wales what is the estimated cost to establish and operate, over four years, the network of the Welsh Assembly to all parts of Wales. [40610]

Mr. Ron Davies: Decisions on the details of the network in Wales to support the National Assembly will be worked out in partnership with the Welsh local authorities, the National Library of Wales and other interested bodies. It is not possible to provide an estimate of costs at this time.

Mr. Evans: To ask the Secretary of State for Wales (1) what is the cost of the pierhead building in Cardiff, separately identifying the running costs for four years; [40607]

(2) what is the estimated running cost of Crickhowell House over its first four years as part of the assembly estate. [40587]

Mr. Ron Davies: I will write to the hon. Member, as soon as possible and place a copy of my reply in the Library of the House.

Mr. Evans: To ask the Secretary of State for Wales how much his Department will pay, over how many years, and for what purpose, of the £120 million package PFI announcement for the Welsh Assembly. [40589]

Mr. Ron Davies: The Heads of Agreement signed on 28 April between Cardiff Bay Development Corporation and Citylink is based on construction of Bute Square and Bute Avenue at an estimated cost including land of £45 million. There is associated private sector investment in commercial development of 360,000 sq ft and over 300 homes with an assumed combined capital value of over £75 million.

In addition to construction of Bute Square and Bute Avenue, the PFI overall will also make provision for maintenance of the Square and the Road to agreed standards over the 25-year contract period, further land acquisition and works preparatory to development.

We estimate that the total public sector cost will be no more than £5 million per annum in real terms for up to 25 years, a maximum present value of £57 million.

AGRICULTURE, FISHERIES AND FOOD

Cattle Cull

Mr. Drew: To ask the Minister of Agriculture, Fisheries and Food how many cases there have been of cattle being barred from entry into the cull process because of lack of birth details. [40397]

Mr. Rooker: There are no recorded cases of animals being barred from the scheme because of lack of birth details. Male animals are accepted on the basis of the evidence of the national administrative document (CID or CCD). The age of female animals, in cases where documentary evidence is not available or is inconclusive, is determined by dentition checks, the existence of more than two permanent incisors indicating an animal over thirty months old.

Green-top Milk

Mr. Soames: To ask the Minister of Agriculture, Fisheries and Food when he will publish his review on the future sales of green-top milk. [40540]

Mr. Rooker: I will make an announcement in due course, when we have reviewed the public consultation responses in the light of the scientific advice.

Central Science Laboratory, Norwich

Mr. Charles Clarke: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 8 April 1998, *Official Report*, column *232*, what estimate he has made of the redundancy costs which would be incurred by dismissal of the 55 non-mobile staff currently based at the Central Science Laboratory in Norwich if the Norwich Laboratory were to be closed. [41017]

Mr. Rooker: Only 39 of the 55 non-mobile staff are permanent civil servants and therefore entitled to redundancy payments. If a decision is made to relocate the work undertaken at the Central Science Laboratory Norwich site to York, efforts will be made to resettle non-mobile staff either by relocating to York or through securing employment elsewhere. We would expect to avoid compulsory redundancy for the majority, if not all, of non-mobile staff.

However, should redundancy prove necessary, the total costs are estimated to be £215,173.

Antibiotics

Mr. Jack: To ask the Minister of Agriculture, Fisheries and Food what research projects his Ministry is currently undertaking which deal with the concerns about antibiotic usage expressed in the seventh report of the House of Lords Science and Technology Committee of Session 1997–98 (HL 81). [40377]

Dr. John Cunningham: The table lists those research projects funded by my Department which deal with the concerns about antibiotic usage expressed in the seventh report of the House of Lords Science and Technology Committee of Session 1997–98.

The Department has just completed a major scientific review of the area and the report of that work is being evaluated. The Department announced its intention to fund further research in this area in the MAFF Food Research Requirements Document and the Animal Health and Welfare Research Requirements Document, both published in March 1998. However, decisions on the precise nature of any new research await the recommendations of the Advisory Committee on the Microbiological Safety of Food whose Working Party on Microbial Antibiotic Resistance is due to report in 1998.

Code	*Project title*
OZ0132	Antibiotic resistance mechanisms in salmonella and campylobacter
OZ0134	Epidemiological studies of multiresistant *Salmonella typhimurium* in pigs
OZ0135	Epidemiological studies of multiple *resistant Salmonella typhimurium* DT104 infection in cattle

Beef

Mr. Letwin: To ask the Minister of Agriculture, Fisheries and Food, pursuant to the oral statement by the Minister of State of 20 April 1998, *Official Report*, column 570, what was the basis for his statement that the import of beef from animals aged over 30 months is banned. [40344]

Mr. Rooker *[holding answer 30 April 1998]:* The Beef (Emergency Control) Order 1996 which came into force on 29 March 1996 banned the sale for human consumption of beef from animals over 30 months old at the time of slaughter, whether imported or home reared. These provisions are carried forward in The Fresh Meat (Beef Controls) (No. 2) Regulations 1996 which came into force on 1 September 1996. The only exceptions are if the beef comes from animals in the UK Beef Assurance Scheme or from animals born, reared and slaughtered in Argentina, Australia, Botswana, Brazil, Mauritius, Namibia, New Zealand, Paraguay, Poland, South Africa, Swaziland, Uruguay, USA or Zimbabwe, from which the Government consider that beef can be imported without risk. I apologise for implying during the Adjournment Debate that the prohibition applied to all imports.

Mr. Letwin: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his oral statement of 3 December 1997, *Official Report*, column 372, if he will set out the basis for his statement that no beef from animals under 30 months old was found to have infectivity in the ganglia relevant to BSE. [40346]

Mr. Rooker *[holding answer 30 April 1998]:* In the ongoing experiment to re-assess the parts of cattle which may contain BSE infectivity, the interim results of which have recently been published in The Veterinary Record, cattle were deliberately infected at four months of age by feeding them with BSE-infected brain tissue. Groups of cattle were then killed at regular intervals up to 40 months after the initial infection when the last animals were killed. Tissues collected from these animals were tested for infectivity by assay in mice.

In addition to the tissues originally shown to contain infectivity in naturally infected cattle (brain, spinal cord and eye), and classified as Specified Risk Material (SRM), infectivity was recently detected in the trigeminal ganglia and the dorsal root ganglia (DRG). The latter are closely adherent to the bones of the spinal column. This new information was considered fully and formed the basis of implementing the "beef on the bone" ban of 3 December. Trigeminal ganglia are contained in the skull, and are therefore already classified as SRM and excluded from both human and animal food chains. DRG were not however designated as SRM. The earliest point at which DRG were found to contain infectivity was 32 months after infection. This corresponded to the earliest time that brain and spinal cord became infectious in the same experiment. No infectivity was detected in DRG or trigeminal ganglia at any time before 30 months after infection.

The risk assessment that informed SEAC's deliberations on the risk associated with the consumption of DRG in cattle under 30 months of age attempted to estimate how many such animals could carry infectivity in the DRG and spinal cord. This was done not on the basis of time from exposure to detection of infectivity in DRG in the experiment, but on the interval between detection of infectivity and onset of clinical disease. That interval was three months, but for the basis of analyses we assumed it was seven months to give a margin of safety. Working back from the number of confirmed cases aged under 38 months detected on farm, it was possible to estimate how many would reach this critical stage before slaughter for human consumption at under 30 months. That number was three for 1998, but each infected DRG

represented a potential infectious dose to a consumer. Excluding the tail, there are on average 60 DRG in cattle, the largest weighing no more than 0.5g.

Live Animal Exports

Dr. Palmer: To ask the Minister of Agriculture, Fisheries and Food how many *(a)* live sheep and *(b)* live pigs were exported from the United Kingdom in 1997 for (i) slaughter, (ii) further fattening and (iii) breeding; and how many live (1) sheep and (2) pigs in each of these categories were exported to each individual country of destination. [37196]

Mr. Rooker *[pursuant to his reply, 20 April 1998, c. 488–89]:* The table, derived from Departmental records, gives details of sheep and pigs certified for export from the United Kingdom. The figures do not include information on the number of sheep exported from Northern Ireland to the Republic of Ireland as sheep are not officially certified for such trade under a special arrangement provided for in EC trade rules.

Numbers of sheep and pigs certified for export from the United Kingdom in 1997

	Sheep			Pigs		
Country	*Slaughter*	*Further fattening*	*Breeding*	*Slaughter*	*Further fattening*	*Breeding*
Belgium	—	17,677	144	300	4,876	32,747
Canada	—	—	—	—	—	600
Chile	—	—	—	—	—	270
China	—	—	—	—	—	795
Czech Republic	—	—	—	—	—	564
Denmark	—	—	—	—	—	1,064
Falkland Islands	—	—	—	—	—	25
France	28,294	201,540	413	—	—	22,735
Germany	—	14,561	1	253	7,219	43,041
Greece	—	—	—	—	—	689
Hungary	—	—	—	—	—	94
Italy	—	1,815	—	2,561	321	8,687
Japan	—	—	—	—	—	750
Latvia	—	—	—	—	—	151
Malaysia	—	—	—	—	—	338
Mexico	—	—	—	—	—	1,070
Netherlands	—	168,510	82	2,009	—	18,700
Nigeria	—	—	—	—	—	46
North Korea	—	—	—	—	—	70
Philippines	—	—	—	—	—	340
Poland	—	—	—	—	—	113
Portugal	—	—	—	—	—	83
Republic of Ireland	1,212	—	177	78,270	326	2,119
Romania	—	—	—	—	—	217
Russia	—	—	—	—	—	350
Slovakia	—	—	—	—	—	111
South Korea	—	—	—	—	—	684
Spain	6,689	669	350	—	2,050	18,379
Taiwan	—	—	—	—	—	70
Thailand	—	—	—	—	—	545
United States of America	—	—	—	—	—	122
Vietnam	—	—	—	—	—	874
Total	36,195	404,772	1,167	83,393	14,792	156,443

MINISTER WITHOUT PORTFOLIO

Millennium Compliance

Mr. Mitchell: To ask the Minister without Portfolio what assessment he has made of the millennium compliance of the computer systems used in the Millennium Experience. [38456]

Mr. Mandelson: The New Millennium Experience Company (NMEC) requires all suppliers to provide assurances that their products and systems are millennium compliant. The Company is taking additional steps to verify these assurances on delivery.

Millennium Dome

Mr. McWalter: To ask the Minister without Portfolio what plans he has to incorporate within the Millennium Dome testimony to Britain's philosophical tradition. [40102]

Mr. Mandelson *[holding answer 29 April 1998]:* The New Millennium Experience Company aims to reflect the great wealth of British tradition which exists across many disciplines, including philosophy.

Mr. Mitchell: To ask the Minister without Portfolio if he will estimate the space in the Millennium Dome which will be devoted to *(a)* video and computer games, *(b)* live cultural events, *(c)* the display of works of art and *(d)* Christianity. [38445]

Mr. Mandelson: It is not possible to measure the physical space which will be occupied by each of the specific categories listed by my hon. Friend. Some will feature throughout the Experience, while others may be located primarily within an individual area.

Mr. Baker: To ask the Minister without Portfolio (1) what steps he is taking to ensure the proposed car park at the Millennium Dome is not used by commuters wishing to use the proposed underground station nearby; [38715]

(2) in respect of the car park at the Millennium Dome, how many spaces there will be for *(a)* orange badge holders, *(b)* VIPs and *(c)* others; and what charges will be payable in each case. [38713]

Mr. Mandelson *[holding answer 20 April 1998]*: The New Millennium Experience Company (NMEC) aims to keep to an absolute minimum arrival at the site by car. The principal purpose of the car park is to meet the needs of orange badge holders.

In pursuing detailed planned permission with Greenwich Council, the NMEC have proposed an indicative allocation of 385 spaces for orange badge holders, 247 for VIPs, and 298 short stay spaces for cars dropping off visitors at the Experience or at the bus and underground station. These indicative allocations allow the NMEC flexibility to increase spaces for orange badge holders as necessary.

Parking will be free of charge for orange badge holders, VIPs and London Underground employees. Those waiting to collect visitors will pay a charge for a short stay which will increase significantly if the vehicle stays for longer than its allotted time.

To ensure that these parking provisions are not used by commuters, there will be a pre-booking arrangement for spaces and readily identifiable passes which will be checked on entry.

Mr. Llew Smith: To ask the Minister without Portfolio what steps he has taken to provide opportunities for the demonstration of British environmental technologies and expertise at the Millennium Experience Dome at Greenwich; and what discussions he has had with other Ministers on such matters. [38729]

Mr. Mandelson: The New Millennium Experience Company (NMEC) aims to include a range of features on the Dome site which demonstrate potential applications of environmental technology. The exhibit currently entitled "Living Island" will explore ways in which individuals can protect and enhance their environment. NMEC is consulting and seeking advice from a number of environmental groups about the content and nature of this exhibit, and is in regular touch with DTI and DETR on science and technology and environmental matters. The Millennium Experience will also feature a number of state of the art products and services from the Millennium products award scheme run by the Design Council.

Mr. Mitchell: To ask the Minister without Portfolio what proportion of visitors to the Millennium Experience site he estimates will arrive via *(a)* London Underground, *(b)* private bus, *(c)* train and public bus, *(d)* bicycle, *(e)* the Docklands Light Railway and *(f)* park and ride. [39329]

Mr. Mandelson: The New Millennium Experience Company's estimates of the split between various modes of transport used by visitors to the Dome in Greenwich is:

Main mode	*Final leg*	*percentage*
Tube or rail	JLE	36
Tube or rail	Cable car	2
Car (park and ride)	JLE/Cable Car/Rail Shuttle Coach/Riverboat	28
Coach		13
Riverboat		8
Taxi/set-down		4
Bus		4
Rail (North Kent line)		3
Walk/Cycle		1
Car (disabled)		1
Total		100

rail includes DLR

breakdown by mode will depend on the outcome of the park and ride review

Mr. Mitchell: To ask the Minister without Portfolio when advance bookings to the Millennium Experience may be made; and if advance bookings will receive a discount. [39325]

Mr. Mandelson: The New Millennium Experience Company (NMEC) plans to put individual tickets for Millennium Experience on sale from the third quarter of 1999. Arrangements for earlier ticket sales through the travel and tourist trade are being developed in order to meet the trade's lead-time for marketing and promoting their packages. Final decisions on ticket pricing, across a range of options, including groups and age ranges, will be announced in due course.

Mr. Mitchell: To ask the Minister without Portfolio how many additional parking places to those currently planned he estimates will be required for park and ride visitors to the Millennium Experience. [39324]

Mr. Mandelson: None.

Mr. Mitchell: To ask the Minister without Portfolio how many trains per hour he estimates the *(a)* Jubilee Line and *(b)* Docklands Light Railway will run to the Millennium Experience. [39323]

Mr. Mandelson: London Underground Ltd. plan to run twenty four trains per hour in each direction through the new Jubilee Line station for the Millennium Experience. The Docklands Light Railway Ltd. plans to run up to fifteen trains per hour in each direction on both the Beckton extension and the new Lewisham extension.

Mr. Mitchell: To ask the Minister without Portfolio by what means the Millennium Dome will be cleared at the end of each session. [39322]

Mr. Mandelson: In developing its policies and strategies for the Dome's content and for managing visitor access and flows, the New Millennium Experience Company will ensure that access to all exhibits and facilities can be safely and effectively controlled, drawing on best practice at other large scale visitor attractions. This will include stopping access at an appropriate time prior to the designated closing time.

Mr. Mitchell: To ask the Minister without Portfolio who will be responsible for security on the Millennium Experience site. [39321]

Mr. Mandelson: The New Millennium Experience Company (NMEC) has direct responsibility for security. No final decisions have been taken at this stage about which organisations the Company will procure services from in order to deliver security at the Dome. In reaching its final decisions NMEC will liaise closely with the police and other statutory bodies.

Mr. Mitchell: To ask the Minister without Portfolio if railway companies will be able to offer inclusive tickets to cover rail fares via London Transport to the Millennium Experience and the entry fee. [39318]

Mr. Mandelson: The New Millennium Experience Company (NMEC) plans to make Millennium Experience tickets available through all Association of Train Operating Companies (ATOC) members for them to sell to their customers at the same time as travel tickets. The NMEC will also meet requests from train operators for allocation of tickets to enable additional special train services.

Millennium Experience

Mr. Mitchell: To ask the Minister without Portfolio what consultations have been held with focus groups on the Millennium Experience; and if he will publish the results of such consultations. [39316]

Mr. Mandelson: The Millennium Commission held focus groups in 1994 when proposals for a national exhibition and festival were first developed. The New Millennium Experience Company (NMEC)—then called Millennium Central—undertook focus group research in March 1997 to consider the broad direction of the project and people's expectations of it, and, as NMEC, undertook soundings through focus groups in August and September 1997 on branding and identity issues.

The outcome of the NMEC's research was detailed by the Company's Chief Executive in her evidence to the Culture, Media and Sport Committee on 2 December and is recorded in the Committee's Second Report, Volume II, Minutes of Evidence and Appendices. Copies of this report are available in the libraries of the House.

Mr. Baker: To ask the Minister without Portfolio when negotiations between NMEC and Koch Hightex over compensation are expected to be completed; and if he will make a statement. [39970]

Mr. Mandelson *[holding answer 29 April 1998]:* Negotiations between the New Millennium Experience Company and Koch Hightex over compensation under the terms of their contract are continuing. It is not possible at this stage to give an indication of when the negotiations might be concluded.

DUCHY OF LANCASTER

Public Appointments

Jackie Ballard: To ask the Chancellor of the Duchy of Lancaster how many and what percentage of the (i) paid and (ii) unpaid appointments which he has made to non-departmental public bodies since 1 May 1997 were women. [39403]

Dr. David Clark: *[holding answer 29 April 1998]:* Since 1 May 1997, I have appointed (or re-appointed) 35 men and 27 women to serve on the boards of non-departmental public bodies. Of these, seven man (78%) and two women (22%) were appointed to paid posts and 28 men (53%) and 25 women (47%) were appointed to unpaid posts.

The Government are committed to increasing the representation of women in public life. In support of this, my Department is drawing up an action plan for increasing the number of women and ethnic minorities holding public appointments.

Deregulation

Mr. Paterson: To ask the Chancellor of the Duchy of Lancaster how many regulations have been repealed in order to reduce the burden on business since 1 May 1997. [39859]

Dr. David Clark: My Department has been informed of 27 amending or repealing regulations made between 1 May 1997 and 30 April 1998 which resulted in compliance cost savings to business and others.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Local Government Pension Funds

10. **Mr. Hawkins:** To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received on the cost to local government pension funds in 1998–99 of the abolition of advance corporation tax credit. [39514]

Ms Armstrong: Representations have been received from a number of individual local authorities, as well as from the Local Government Association and the United Kingdom Steering Committee on Local Authority pensions.

12. **Mr. Viggers:** To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the percentage change which will be required in council tax rates in order to take account of changes to the taxation of local government pension funds in the last year. [39516]

Ms Armstrong: No estimates of cost implications can be made until the results of the actuarial valuations of the local authority pension funds as at 31 March 1998 are known later this year.

Limestone Pavements

11. **Mr. Tipping:** To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the landscape and environmental value of limestone pavements; and what plans he has to protect them. [39515]

Angela Eagle: The value of limestone pavement is acknowledged by inclusion within Sites of Special Scientific Interest, and by Limestone Pavement Orders, which offer protection against physical damage. The best examples have been identified as candidate Special Areas of Conservation under the EC Habitats Directive. In addition, limestone pavement is one of 14 key habitats for which we have published action plans, as part of the implementation of the UK's Biodiversity Action Plan.

Brown-field Sites

14. **Mr. Blizzard:** To ask the Secretary of State for the Environment, Transport and the Regions what support he will give for re-establishing industrial use of brown-field sites. [39519]

Mr. Caborn: Through its programmes and agencies the Department of the Environment, Transport and the Regions sponsors a range of projects which support the re-establishment of industrial uses on previously used sites. Information on land reclaimed, new business start-ups and jobs created is available in the Department's Annual Report 1998 (Cm 3906). Among the key output measures of English Partnerships, which has a statutory objective to promote job creation and environmental improvement through the reclamation of vacant and derelict land, are the amount of industrial and commercial floorspace created, and land reclaimed and/or serviced. For the year 1996/97 these figures were 910,000 square metres and 1,100 hectares respectively.

Local authorities have powers to designate sites for industrial use in their development plans and, if necessary, to assemble sites using compulsory purchase powers. I am looking at the effectiveness of current powers for site assembly, and a Task Force has been created under Lord Rogers to look at better use of recycled land.

My Department has commissioned a National Land Use Database, which will, as an early output, identify vacant and derelict previously-used land and buildings. Although primarily aimed at identifying land for housing, the exercise could help identify and assess potential sites for industrial use. This will complement existing local authority studies of commercial land availability.

Mr. Soames: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the brown-field sites he has located in mid-Sussex. [40770]

Mr. Raynsford: The information is not centrally available in this form, but the Regional Planning Conference for the South East is looking at the potential of different sites, including previously developed sites, for accommodation housing growth. We have commissioned a survey which will lead to the production of a national database of land use. This will provide a national assessment of previously developed land available for housing. Also, we have recently established a task force under the chairmanship of Lord Rogers to develop best practice and innovation on housing on previously developed land, especially in urban areas.

Business Rates

15. **Mr. Ruffley:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on his policy on local business rates. [39520]

Mr. Raynsford: We issued our consultation paper "Modernising local government: Business rates" on 30 March, with our proposals for a local supplement on the business rate. The consultation period ends on 1 June. We are continuing our detailed discussions with representatives of business and local government, and we shall consider all responses to the consultation paper before we make a final decision on a local supplement.

Bellwin Formula

17. **Mr. Sanders:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement about the Bellwin formula. [39522]

Mr. Raynsford: The Bellwin Scheme of emergency financial assistance is intended to help local authorities deal with the immediate aftermath of an emergency or disaster. Grant is discretionary and is paid at the rate of 85 per cent. on qualifying expenditure above a threshold, related to an authority's Standard Spending Assessment.

Housing

18. **Mr. Rammell:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on his plans to increase the supply of affordable housing. [39523]

Ms Armstrong: We are currently considering the need for affordable housing and the appropriate level of Government support within the Comprehensive Spending Review of Housing Programmes. We expect to announce our decision on this in the summer.

Local Authority Capital Receipts

19. **Mr. Pike:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has for changes in the method of calculating receipts taken into account in connection with local government expenditure. [39524]

Ms Armstrong: Some options for changes to the system of capital receipts taken into account (RTIAs) have been put forward in the Government's recent consultation paper on local government capital finance. Decisions on changes to the system of RTIAs will be considered in the light of responses to the paper.

Mr. Marshall-Andrews: To ask the Secretary of State for the Environment, Transport and the Regions if he will list for each council in England the capital receipts *(a)* released in 1997–98 and *(b)* to be released in 1998–99, giving for each year the proportion used on new building and capital repairs and the number of homes involved in each case. [39281]

Mr. Raynsford: Details of the 1997–98 and 1998–99 total allocations of Capital Receipts Initiative resources to each local authority in England have been placed in the

Library. I will write further to my hon. and Learned Friend in a few weeks' time when the detail on the returns has been analysed

Housebuilding (West Sussex)

20. **Mr. Loughton:** To ask the Secretary of State for the Environment, Transport and the Regions how many residents of West Sussex have expressed to him their opposition to Government plans for additional housebuilding in the county. [39525]

Mr. Raynsford: My Department has received around 3,000 objections about the proposed increase in the number of houses to be provided in West Sussex.

Local Authority Services

21. **Mr. Paterson:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the cost of running local authority services in sparsely populated rural areas. [39526]

Mr. Raynsford: The Government recognise that sparsity of population is likely to increase the cost of providing some local authority services. This is reflected in the calculation of standard spending assessments.

London Government

22. **Mr. Love:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on his programme for the implementation of his proposals for the governance of London if they are approved in the referendum on 7 May. [39527]

23. **Ms Perham:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the time scale for implementing his plans for a London mayor and assembly. [39528]

Mr. Raynsford: In the event of a majority Yes vote in the referendum in London on 7 May, the Government will bring forward legislation to implement their proposals for the governance of London with a view to holding elections in late 1999 or 2000 for a Mayor and Assembly.

Council Tax

24. **Mr. Brady:** To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received on the impact on council tax levels in 1998–99 of the abolition of the advance corporation tax credit. [39529]

Ms Armstrong: The Department has received representations from a number of individual local authorities as well as from the Local Government Association and the United Kingdom Steering Committee on Local Authority Pensions, on the impact on local authority budgets of the abolition of advance corporation tax and its effect on the local authority pension scheme. The abolition of ACT should not have affected council tax bills in 1998–99 because it will not start to affect local authorities' pension schemes until the following financial year.

Regional Government (South-West)

26. **Mr. Andrew George:** To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the advantages of a regional assembly for Cornwall and the Isles of Scilly. [39531]

Angela Eagle: We are committed to more accountable regional government in England. But we are not in the business of imposing solutions. We welcome the active participation of all the Cornish local authorities in the development of a South West regional chamber.

Endangered Species

27. **Mr. Dalyell:** To ask the Secretary of State for the Environment, Transport and the Regions what action he is setting in train to prevent plant species extinction, following the publication of the International Union for the Conservation of Nature red list of threatened plants compiled by the world conservation monitoring centre; and what funding he is providing for the sustained updating of the red list. [39532]

Angela Eagle: I have asked the Department's statutory advisors, the Joint Nature Conservation Committee, to consider in detail the *IUCN Red List of Threatened Plants*, which indicates that over 33,000 plant species are under threat of extinction worldwide, and to advise me on the conservation status of the UK plant species identified in the Red List. I will write to my hon. Friend once I have had an opportunity to consider in detail the Committee's advice.

My Department has not been approached by IUCN or the World Conservation Monitoring Centre for funding towards the updating of the Red List. As UK State Member of IUCN my Department already contributes £155,000 as its annual subscription to IUCN. In February 1998 my Department offered IUCN £75,000 towards the costs of establishing a Species Conservation Centre in the UK including the appointment of a Red List officer.

Mr. Dalyell: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his oral answer of 31 March 1998, *Official Report*, column 492, what steps he is taking to enforce rigorously the controls relating to CITES listing of species with particular reference to Amazonian *(a)* fauna and *(b)* flora listed in the recent international plants red list. [39479]

Angela Eagle: Enforcement of CITES import and export controls rests with HM Customs and Excise, whose officers are trained in the requirements of the EU Regulation which implements CITES within the Community. The Regulation applies stricter measures than those required by CITES, on the basis of the advice from Member States' scientific advisors drawing on a variety of sources, including the red data lists produced by the IUCN. Customs officers are aware of those areas and species which pose the greatest risk in terms of illegal trade.

Internal controls on the wildlife trade are enforced by the police. My Department co-operates closely with them and HM Customs through the Partnership for Action Against Wildlife Crime (PAW), which provides a strategic overview of wildlife law enforcement in the UK.

My Department and HM Customs recently launched the second phase of a major publicity campaign to alert holiday makers and business travellers to the rules governing international trade in endangered species. "Check it Out" posters are on display in the major UK airports. Leaflets providing general advice and details of a telephone inquiry point are being distributed with travel tickets and are available at a number of airport retail outlets.

We have also organised several events to discuss ways of furthering the fight against wildlife crime. These include the annual two day Police Wildlife Liaison Officers Conference and the EU Wildlife Law Enforcement Workshop which my Department hosted in March this year as part of the UK's Presidency of the EU. My right hon. Friend the Deputy Prime Minister also chaired the informal summit of G8 Environment Ministers earlier this month, which agreed a package of measures to crack down on environmental crime.

Roads Review

34. **Mr. Moss:** To ask the Secretary of State for the Environment, Transport and the Regions when he expects his Department to conclude its roads review. [39540]

Dr. Strang: We are currently working hard to complete the Roads Review and intend to publish the outcome later this year.

43. **Sir Geoffrey Johnson Smith:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the current levels of investment in Britain's motorway and trunk road network; and when he plans to complete his review of Britain's roads programme. [39549]

Ms Glenda Jackson: We plan to spend £1,352m on maintaining, managing and improving our motorways and trunk roads in 1998–99. Of this £562m will be spent on major improvement schemes. We hope to publish the results of the Roads Review later this year.

Road Charges

37. **Mr. Peter Bottomley:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to allow local authorities to levy road charges. [39543]

Ms Glenda Jackson: This is a matter under consideration in the context of the preparation of the Government's forthcoming White Paper on developing an integrated transport policy.

Cars

38. **Mr. Jim Murphy:** To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to encourage the purchase of cars which are less polluting and more fuel efficient. [39544]

Dr. Strang: I refer my hon. Friend to the oral answer I gave earlier to my hon. Friend the Member for Warrington, North (Helen Jones).

Rail Safety

39. **Mr. Heppell:** To ask the Secretary of State for the Environment, Transport and the Regions what measures he is taking to ensure the safety of rail passengers. [39545]

Dr. Strang: The Government attach the highest priority to safety on our railways. Railways are one of the safest forms of transport but there is room for improvement. Following the report of the Transport Sub-Committee the HSC has agreed to my request and brought forward its planned review of railtrack's role in rail safety.

Mr. Eric Clarke: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the representations made to him by the train drivers union expressing concern that criminal proceedings are delaying and could pre-empt, public inquiries into rail safety. [39980]

Ms Glenda Jackson: We are not aware of any representations being made direct to Ministers by the train drivers union, expressing concern that criminal proceedings are delaying and could pre-empt public inquiries into rail safety. However, a statement to this effect was made at the Health and Safety Commission's Railway Industry Advisory Committee, Chaired by HM Chief Inspector of Railways, on 20 February 1998.

Motorway Services

40. **Ann Clwyd:** To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the standard of the food services provided on the motorway system. [39546]

Ms Glenda Jackson: The provision of refreshments at motorway service areas is a commercial matter for their operators. My right hon. Friend has not carried out any assessment of this aspect of their operations in the past and has no plans to do so in future.

Traffic Congestion (London)

42. **Mr. Casale:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the recent research on the effect of congestion on traffic speeds in London. [39548]

Ms Glenda Jackson: The latest traffic surveys in London show that average speeds are about 10 mph throughout the day in central London, between 13 mph and 15 mph in the rest of inner London, and between 17 mph and 23 mph in outer London.

Integrated Transport Policy

44. **Mr. Prior:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on how his integrated transport policy will apply to rural areas. [39550]

Dr. Strang: The Government recognise the particular needs of rural communities, and wants to improve rural services. The forthcoming Transport White paper will set out how our integrated transport policy should be delivered in order to meet the environmental and economic needs of all parts of the country, both urban and rural. In advance of the White Paper, the Chancellor has announced an additional £50m a year to improve public transport in rural areas.

Road Safety

45. **Dr. Julian Lewis:** To ask the Secretary of State for the Environment, Transport and the Regions when he last met representatives from the Automobile Association to discuss road safety. [39551]

Ms Glenda Jackson: My right hon. Friend the Minister of Transport met the Automobile Association on 8 September 1997, my noble Friend the Minister for Roads met them on 11 November 1997 and I met them on 15 October 1997. None of these occasions, however, was specifically to discuss road safety matters.

Coastguard

46. **Mr. Wallace:** To ask the Secretary of State for the Environment, Transport and the Regions when he last met the chief coastguard to discuss the future of the Coastguard service; and if he will make a statement. [39552]

Ms Glenda Jackson: I last met with the Chief Coastguard on 23 April to discuss issues arising out of the recent consultation on the five year strategy for Her Majesty's Coastguard. Ministers will take that discussion into account in their deliberations on the strategy.

Rural Bus Partnership Fund

48. **Mr. Peter Bradley:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the distribution of the rural bus partnership fund in England. [39554]

Dr. Strang: I refer my hon. Friend to the answer I gave earlier to my hon. Friend the Member for Sittingbourne and Sheppey (Mr. Wyatt). Subject to Parliamentary approval, the detailed provisional allocation to local authorities of additional funding for rural bus services is as follows:

	Rural population estimate (1991 Census)	*Provisional allocation £*
Shire Counties		
Bedfordshire	81,363	450,000
Buckinghamshire	103,062	570,000
Cambridgeshire	145,152	800,000
Cheshire	112,558	620,000
Cornwall	224,279	1,230,000
Cumbria	175,847	970,000
Derbyshire	128,373	700,000
Devon	258,468	1,420,000
Dorset	104,894	580,000
Durham	111,568	610,000
East Sussex	102,716	560,000
Essex	192,326	1,060,000
Gloucestershire	145,853	800,000
Hampshire	164,291	900,000
Hertfordshire	81,499	450,000
Kent	234,521	1,290,000
Lancashire	134,618	740,000
Leicestershire	102,842	560,000
Lincolnshire	219,378	1,200,000
Norfolk	286,356	1,570,000
North Yorkshire	253,516	1,390,000
Northamptonshire	125,196	690,000
Northumberland	87,380	480,000
Nottinghamshire	96,004	530,000
Oxfordshire	168,830	930,000
Shropshire	115,780	640,000
Somerset	186,942	1,030,000
Staffordshire	147,094	810,000
Suffolk	219,920	1,210,000
Surrey	109,417	600,000
Warwickshire	109,541	600,000
West Sussex	106,407	580,000
Wiltshire	144,395	790,000
Worcestershire	103,905	570,000
Passenger Transport Authorities		
Greater Manchester	24,304	130,000
Merseyside	15,332	84,000
South Yorkshire	62,223	340,000
Tyne and Wear	15,070	83,000
West Midlands	15,820	87,000
West Yorkshire	104,032	570,000
Unitaries		
Bath & NE Somerset	25,709	140,000
Blackburn with Darwen	7,168	39,000
Bracknell Forest	7,354	40,000
Bristol	1,198	7,000
Darlington	8,881	49,000
East Riding	98,149	540,000
Halton	2,330	13,000
Hartlepool	3,099	17,000
Herefordshire	95,963	530,000
Isle of Wight	29,254	160,000
Medway	16,067	88,000
Middlesbrough	2,120	12,000
Milton Keynes	13,132	72,000
NE Lincolnshire	7,834	43,000
North Lincolnshire	47,287	260,000
North Somerset	24,402	130,000
Peterborough	15,436	85,000
Plymouth	1,792	10,000
Poole	1,363	7,000
Redcar & Cleveland	10,377	57,000
Rutland	19,655	110,000
South Gloucestershire	34,613	190,000
Stockton-on-Tees	5,393	30,000
Stoke-on-Trent	996	5,000
Swindon	10,244	56,000
Telford and the Wrekin	9,452	52,000
Thurrock	7,012	38,000
Torbay	1,540	8,000
Warrington	10,955	60,000
West Berkshire	42,723	230,000
Windsor & Maidenhead	9,291	51,000
Wokingham	14,223	78,000
York	13,448	74,000
Total	5,919,532	32,500,000

In the table authorities that would have received less than £5,000 under a strict application of the formula have been eliminated from the distribution. Any discrepancy in the total is because of rounding.

Rail Freight

49. **Mr. Brady:** To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the change in the levels of rail freight since 1993. [39555]

Dr. Strang: Over the last decade the trend for freight carried by rail has been one of decline, largely reflecting the fall in coal traffic. This is also generally true of the levels of rail freight since 1993 although post-privatisation figures are calculated slightly differently from those under

British Rail. However, last year's figures indicate a small but welcome increase from those of 1996–97, having stabilised at around 26 million tonnes per quarter. We will continue to encourage more freight on to the railways as part of promoting our integrated transport strategy.

Rainworth Bypass, Nottinghamshire

50. **Mr. Tipping:** To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received about the Rainworth bypass, Nottinghamshire. [39556]

Ms Glenda Jackson: My right hon. Friend has received two letters of support for the scheme and two requests for clarification of the additional information sought in his letter of 3 February 1998; otherwise, he has received no representation about the Rainworth Bypass since the issue of that letter.

London Underground

51. **Mr. Randall:** To ask the Secretary of State for the Environment, Transport and the Regions how he intends to attract capital to London Underground. [39557]

Ms Glenda Jackson: The Deputy Prime Minister announced the Government's plans for the future of London Underground on 20 March 1998, *Official Report*, columns 1539–56. We will keep the single public sector operator that passengers want, and award one, two or three contracts to finance, maintain and modernise the Underground's infrastructure. Under this innovative solution, the private sector will provide the capital needed for a massive programme of investment.

Mr. Hammond: To ask the Secretary of State for the Environment, Transport and the Regions what advice he received from (i) London Underground Ltd. and (ii) London Transport regarding the relative merits of the different options for the future of London Underground, prior to announcing his decision to pursue the public-private partnership option. [40813]

Ms Glenda Jackson: The Government asked London Transport (LT) for their views on public-private partnership options and the dialogue with LT was useful in helping the Government formulate their policy—a process which also took account of the views of, for example, the Government's financial advisers on the project and the Health & Safety Commission. London Transport incorporated the views of its subsidiary, London Underground Ltd. in the advice it gave to Government.

London Transport's suggestion was to retain the existing structure of London Underground, but to ensure higher and stable funding through long-term committed Government grant, direct borrowing or the right to review hypothecated from other transport sources. Their second option was a flotation of the existing Underground business, but with tight hands-on regulation and supervision. These options were seriously considered by the Government, but not chosen. The key facts and analysis underlying the Government's policy analysis were set out in a paper deposited in the Library of the House on 20 March 1998, *Official Report*, column 1539. London Transport is now working very closely with the Government and it is committed to the success of our policy.

Gloucestershire Structure Plan

Mr. Laurence Robertson: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he has had with the Government office for the south-west regarding Gloucestershire's structure plan. [39517]

Mr. Caborn: My Officials at the Government Office for the South West have commented on the structure plan on my behalf and keep me briefed on issues as necessary.

Regional Development

Mr. MacShane: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the contribution of air traffic provision to English regional development; and if he will make a statement. [39521]

Ms Glenda Jackson: We attach great importance to the contribution which air services can make to English regional development.

Sustainable Development

Mr. Nicholas Winterton: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the impact of his Department's policy on sustainable development on the elderly in rural areas. [39530]

Angela Eagle: The Government's vision of sustained development has four broad objectives: social progress which recognises the needs of everyone; effective protection of the environment; prudent use of natural resources; and maintenance of high and stable levels of economic growth and employment. It aims to ensure a better quality of life for everyone, including the elderly.

The consultation paper "Opportunities for Change" launched earlier this year seeks views on what a sustainable development strategy should contain. Our Manifesto pledged us to recognise the special needs of rural areas and communities and the consultation paper highlights the need for building sustainable communities including in rural areas.

Motoring Charges

Mr. Waterson: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the impact of increased motoring charges on elderly people and those living in rural areas. [39547]

Dr. Strang: As part of the fundamental transport review leading to the forthcoming Transport White Paper, officials in my Department have been examining the impact of a range of transport policies, including motoring taxation, on different groups. This work suggests that the impact of an increase in fuel duty on a particular household will depend on a great many factors, the most important of which are car ownership and income. Recent research by the Institute of Fiscal Studies suggests that location is also important, but less so than income and car ownership.

Cycle Lanes

Mr. MacShane: To ask the Secretary of State for the Environment, Transport and the Regions what steps he is taking to encourage the provision of cycle lanes in *(a)* London and *(b)* other major conurbations. [39553]

Dr. Strang: Our policy guidance and technical advice to local authorities stresses the need to develop cohesive solutions for cycle provision. Cycle lanes are one of a number of features that need to be considered. Decisions on the right blend of facilities are for local highway authorities themselves to take.

In London the Government are supporting the provision of the 2,500 km London Cycle Network (LCN). Now is its fourth year of funding, the LCN has received Transport Policies and Programme (TPP) allocations totalling £15.55 million.

East London River Crossing (Property Disposals)

Mr. Efford: To ask the Secretary of State for the Environment, Transport and the Regions how many houses purchased by the Department of Transport to accommodate the building of the East London River Crossing are still required by the Highways Agency; and what progress has been made by the Highways Agency in disposing of properties purchased for this function. [39465]

Ms Glenda Jackson: I have asked the Chief Executive of the Highways Agency, Mr. Lawrie Haynes, to write to my hon. Friend.

Letter from Lawrie Haynes to Mr. Clive Efford, dated 5 May 1998:

The Minister for Transport in London has asked me to reply to your recent question about houses purchased by the Department in connection with the East London River Crossing.

None of the 164 houses purchased by the Department for the East London River Crossing are now required by the Highways Agency. 154 remain in our ownership and are to be sold. An active sales programme is well underway.

We are working closely with the London Borough of Greenwich as the main local housing authority and are looking to sell a substantial number of our properties to housing associations working with them. A few properties are also likely to be sold to the London Borough of Bexley, and a further small number of tenants are looking to buy their properties themselves.

Road Traffic

Mr. Chope: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 19 March 1998, *Official Report*, column 697, if he will list the national road traffic forecasts which were available at the end of March; and if he will make a statement on the availability of the remaining papers. [39845]

Ms Glenda Jackson: I regret that, owing to competing pressures on resources only one of the six Working Papers (Working Paper number 2: Car Use: Modelling and Forecasting) accompanying the NRTF 1997 was available at the end of March 1998. Two more (Working Paper numbers 3 and 6) were released on 20 April 1998. The remaining three papers will be made available by the end of the first week in May.

Southall Rail Accident

Mr. Eric Clarke: To ask the Secretary of State for the Environment, Transport and the Regions if he will set up a public inquiry into the Southall rail accident; and if he will make a statement on the implications of criminal proceedings for such an inquiry. [39992]

Ms Glenda Jackson: A public inquiry into the Southall rail accident was announced by my right hon. Friend the Secretary of State for the Environment, Transport and the Regions on 24 September 1997. The Southall Rail Accident Inquiry formally opened and then adjourned on 24 February 1998, in order that criminal proceedings stemming from the accident should not be prejudiced.

The Inquiry will resume to hear evidence in public as soon as criminal proceedings are complete.

A1 Tempsford Public Inquiry

Sir Nicholas Lyell: To ask the Secretary of State for the Environment, Transport and the Regions when he received the Inspector's report on the A1 Tempsford Public Inquiry; and when he expects to announce his decision. [39983]

Ms Glenda Jackson: The Inspector's report on the public inquiry into the proposed A1 Tempsford junction improvements was received on 21 April. My right hon. Friend will announce his decision in the light of the Inspector's recommendations as soon as possible.

London Development Group

Dr. Tonge: To ask the Secretary of State for the Environment, Transport and the Regions what consultations are planned between the London Development Group and environmental organisations. [40018]

Angela Eagle: I am not aware of a London Development Group, though we have welcomed the formation of the recently launched London Development Partnership, chaired by Sir Colin Marshall. While the Government Office for London will be working closely with the Partnership on a number of specific projects, the Partnership is not government sponsored and I cannot answer for its plans to consult environmental organisations.

Thameslink Farringdon-Moorgate Line

Mr. Burstow: To ask the Secretary of State for the Environment, Transport and the Regions what has been the level of investment by British Rail and Thameslink in the Farringdon/Bishopsgate branch line over the last 10 years. [40146]

Ms Glenda Jackson: I assume that the question refers to the Thameslink Farringdon to Moorgate branch line.

The branch line was last the subject of investment expenditure in 1985 as part of British Rail's significant upgrade and electrification of the route from Bedford to London St. Pancras. I understand from Railtrack that there has been no investment expenditure on the branch line in the last 10 years. As with all routes, it is subject to routine checks to ensure safety and infrastructure quality is maintained.

Rail Services

Mr. Burstow: To ask the Secretary of State for the Environment, Transport and the Regions if he will make it his policy to strengthen the statutory rights and means of redress for rail travellers, not holding season tickets, for delays, and cancellations under the present National Conditions of Carriage. [40147]

Ms Glenda Jackson: The National Conditions of Carriage are currently being reviewed by the Association of Train Operating Companies. I understand that train operators have voluntarily agreed in principle to double the minimum level of compensation offered for delays of more than one hour from 10 per cent. to 20 per cent. of the fare paid. Any changes to the National Conditions of Carriage will be subject to the approval of the Franchising Director and the Rail Regulator.

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions if he will list for each year since rail privatisation *(a)* the total number of rail passengers and the number of passenger complaints, *(b)* the level of investment in the rail infrastructure and *(c)* the level of public subsidy given to train operating companies. [40260]

Ms Glenda Jackson: The information requested on the number of passengers complaints is not held centrally be DETR and could be provided only at disproportionate cost.

The other information requested is as follows:

Year	*Total passenger journeys (millions)*[1]	*Rail infrastructure investment (£ million)*	*Net support for passengers rail services spend (£ million)*[1]
1995–96	761.2	900	1,669
1996–97	801.4	1,178	1,809
1997–98	n/a	1,269	1,425

[1] Excludes payments to Passenger Transport Executives. Figures for 1995–96 and 1996–97 include payments to train operating companies owned by British Rail.

Note:

The figures shown include an element of double counting, where a journey goes through more than one operators route it is scored against each operator.

Countryside Access (Disabled People)

Mrs. May: To ask the Secretary of State for the Environment, Transport and the Regions what advice his Department has given to the Countryside Commission on policy on access to the countryside for people with disabilities. [40170]

Angela Eagle: The Countryside Commission has a duty under the Disability Discrimination Act 1995 which requires those providing goods, facilities and services not to discriminate against disabled people. The Commission is currently preparing a policy statement on improving enjoyment of the countryside for disabled people. This will recognise that much can be done to make the countryside easier for people to have access to and enjoy, although the countryside cannot be made accessible to everyone, everywhere.

Eurostar

Mr. Ottaway: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 20 April 1998, *Official Report*, column *422*, on Eurostar, if he will publish the independent inquiry which the Government commissioned into the Eurostar traffic forecasts produced by the parties. [40148]

Ms Glenda Jackson: No. The Government commissioned view of Eurostar traffic forecasts is based on information provided in commercial confidence by the private sector parties concerned.

Rural Shop Closures

Mr. Livsey: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to reverse the trend of rural shop closures. [40134]

Angela Eagle: Under the Local Government and Rating Act 1997, as of 1 April 1998 the sole general store and the sole post office in a rural settlement of 3,000 people or fewer are entitled to 50 per cent. mandatory relief, subject to a rateable value limit of £5,000. Local authorities may top this relief up to 100 per cent. if they wish.

In addition, the Rural Development Commission operates a Village Shop Development Scheme which provides grants to help rural shopkeepers maintain and wherever possible, improve the performance of village shops in settlements of less than 3,000.

Great Western Trains

Mr. Webb: To ask the Secretary of State for the Environment, Transport and the Regions if, pursuant to his answer of 24 April 1998, *Official Report*, columns *707–08* on Great Western trains, he will assess the effects of calculating train punctuality statistics in terms of the proportion of passengers who are delayed. [40245]

Ms Glenda Jackson: The method for calculating train punctuality statistics, which measures the number of scheduled services which arrive on time, is effective in monitoring the standard of punctuality that passengers generally receive and for assessing any compensation due under the terms of the relevant Passengers Charter. No change in method is proposed. A train is deemed on time if it arrives within a specified period of the scheduled arrival time. In respect of the former Intercity and long distance regional services this is 9 minutes 59 seconds; in respect of the former Network SouthEast and short distance Regional services this is 4 minutes 59 seconds; and in respect of Scottish sleeper services this is 30 minutes. Certain services may be excluded from the calculations. More details are set out in the notes attached to OPRAF's Performance Bulletins, copies of which are in the Library.

Telecommunications Masts

Mr. Ivan Henderson: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received about the current planning laws relating to *(a)* mobile phones and *(b)* radio phone masts; and what plans he has to amend these laws. [40563]

Mr. Raynsford: Under current planning legislation, telecommunications operators licensed by the Department of Trade and Industry generally have permitted development rights to erect masts of up to 15 metres in height. This is subject to a prior approval procedure which gives the local planning authority the opportunity to say whether it wishes to approve, within 28 days, details of the mast's siting and appearance. If the authority considers that the development will pose a serious threat to amenity, it may refuse approval. A planning application is required for the erection of a mast in protected areas such as National Parks, areas of outstanding natural beauty and conservation areas, and for masts above 15 metres in height elsewhere. We have received a number of representations about these controls, including those made by the working group of local authority and telecommunications industry representatives who have been reviewing my Department's Code of Best Practice for telecommunications prior approval procedures as applied to mast/tower development. We are giving careful consideration to the representations made by the working group, and expect to announce our conclusions in due course.

Housing (Flood Plains)

Ms Keeble: To ask the Secretary of State for the Environment, Transport and the Regions what advice his Department has received from the Environment Agency about the building of homes on flood plains. [40594]

Mr. Raynsford: In 1997, the Environment Agency published *Policy and practice for the protection of floodplains*. This document set out the flood defence policies of the Environment Agency and explained the reasoning behind them. It aimed to reinforce and complement current Government guidance on flood risk issues contained in Department of the Environment Circular 30/92 (Ministry of Agriculture, Fisheries and Food Circular FD 1/92; Welsh Office Circular 68/92) on *Development and flood risk* and in Planning Policy Guidance and Regional Planning Guidance.

The Government look to local planning authorities to use their planning powers to guide development away from areas that may be affected by flooding and to restrict development that would itself increase the risk of flooding. Flood defence considerations should always be taken into account in preparing development plans and in determining planning applications. The Environment Agency is a statutory consultee in the preparation of development plans and for certain types of development and should be consulted by local planning authorities on the building of homes in flood plains.

Heathrow Terminal Five

Mr. Mackinlay: To ask the Secretary of State for the Environment, Transport and the Regions what proportion of the time spent by the Heathrow Terminal Five public inquiry in the receiving and questioning of oral evidence has been devoted to evidence from *(a)* BAA, *(b)* British Airways, *(c)* the Highways Agency and *(d)* objectors to the T5 scheme. [40481]

Ms Glenda Jackson: The approximate proportion of time spent by the Heathrow Terminal Five inquiry in hearing evidence and cross-examination of witnesses to date is set out.

BAA: 30 per cent.

British Airways: 8 per cent.

Highways Agency: 11 per cent.

Objectors: 41 per cent.

A further 10 per cent. of time has been spent hearing evidence from neutral witnesses, principally from the DETR and CAA, who have an explanatory role at the inquiry.

Railway Infrastructure

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has for legislation to permit the direct payment to Railtrack on behalf of the train operating companies, of that part of the public service obligation grant concerned with the provision of improvement to the railway infrastructure. [40258]

Ms Glenda Jackson: We are committed to ensuring that public subsidy to the railway serves the public interest. Our proposals will be published shortly.

Train Operating Companies

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions if the planned reduction of public service obligation grants to TOCs outlined in the franchise agreements will continue regardless of the financial circumstances of the TOCs. [40259]

Ms Glenda Jackson: Support payments from the Franchising Director to the TOCs are contractually committed payments as set out in the franchise agreements. Franchise agreements are legally enforceable contracts. Franchise payments are variable only in circumstances prescribed in the franchise agreements; for example, where performance penalty or bonus payment are applicable or changes are made to the Passenger Service Requirement. A franchise operator may seek change to the terms of the franchise agreement if its financial viability is at risk. The Franchising Director has discretion to provide additional subsidy or not but would be under no obligation to do so. Insolvency is an event of default under the franchise agreement for which the Franchising Director may terminate the agreement. In the event of termination of a franchise agreement the Franchising Director has a statutory duty under S30 of the Railways Act 1993 to secure the provision of services for which no further franchise agreement has been entered into, and the railway administration provisions of the Act would ensure that the assets required for the provision of services continue to be available. The franchise agreements also provide for franchises to post a performance bond which could be claimed by the Franchising Director in these circumstances.

Railway Companies (Penalty Fares)

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to review the powers of the rail companies in respect of on-the-spot fines. [40261]

Ms Glenda Jackson: All penalty fares schemes operated by train operating companies have to be approved by the Rail Regulator. We are conducting a thorough review of rail regulation with the aim of making regulation more effective and accountable. Our proposals will be outlined in our forthcoming White Paper.

Street Works

Mr. Drew: To ask the Secretary of State for the Environment, Transport and the Regions how many prosecutions there have been under the New Roads and Street Works Act 1991. [40407]

Ms Glenda Jackson: No central record is kept of prosecutions initiated under the New Roads and Street Works Act 1991 (which came into force in 1993).

Mr. Drew: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to review the operation of the New Roads and Street Works Act 1991. [40398]

Ms Glenda Jackson: The Government keep the implementation of the street works provisions of the New Roads and Street Works Act 1991 under continual review, in co-operation with bodies representing the highway authorities and the utilities.

Parish and Town Councils

Mr. Drew: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to review the auditing procedures for parish and town councils. [40403]

Mr. Raynsford: We have no plans to review the auditing procedures for parish and town councils.

Mr. Drew: To ask the Secretary of State for the Environment, Transport and the Regions what proposals he has to review the financial arrangements for parish and town councils. [40408]

Mr. Raynsford: None.

Mr. Drew: To ask the Secretary of State for the Environment, Transport and the Regions how many cases have been identified by the District Audit Service in the past five years where financial arrangements for parish and town councils have been deemed to be unsatisfactory. [40409]

Mr. Raynsford: This information is not held centrally. When parish council auditors identify unsatisfactory financial arrangements, they will bring them to the attention of the council in the annual management letter, or make a public interest report, using powers under Section 15(3) of the Local Government Finance Act 1982. Auditors make no reports to the Secretary of State. The independent Audit Commission receives copies of reports made under Section 15(3).

Roads and Pavements (Reinstatement)

Mr. Drew: To ask the Secretary of State for the Environment, Transport and the Regions what steps his Department takes to investigate complaints about the failure of statutory undertakers to reinstate roads and pavements. [40399]

Ms Glenda Jackson: Complaints about individual failures are matters for the undertaker and the highway authority concerned. The Department keeps the national reinstatement specification under review, and will be consulting shortly on proposed revisions to it. The Department also discusses general issues, including levels of compliance, with bodies representing the highway authorities and the utilities.

Opencast Coal

Mr. Edwards: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement about the future of opencast coal extraction. [39510]

Mr. Raynsford: My hon. Friend the Minister for the Regions, Regeneration and Planning announced on 4 March 1998, *Official Report*, column *65*, that there would be a full review of Minerals Planning Guidance Note 3 on Coal Mining and Colliery Spoil Disposal. This will run in conjunction with the present review of energy policy, will take into account its conclusions, and will apply to England. The energy policy review will in turn take into account the planning issues raised by coal extraction. Policy on opencast coal extraction in Wales and Scotland are matters for my right hon. Friends the Secretary of State for Wales and the Secretary of State for Scotland respectively.

Sewage Treatment Technology

Mr. Flight: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he has had with his counterparts in Jersey regarding sewage treatment technology; and if he will make a statement. [39507]

Angela Eagle: My right hon. Friend has had no discussions with the Jersey authorities regarding sewage treatment technology. My Department is aware of the ultra-violet irradiation process used at the Bellozanne works discharging into St. Aubin's Bay. I would refer the hon. Member to the answers I gave on 22 January 1998, *Official Report*, columns *613–14*, and 12 February 1998, *Official Report*, column *317*, to the hon. Member for Portsmouth, South (Mr. Hancock) relating to the ultra-violet treatment of sewage.

A27

Mr. Flight: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he has had with the Highways Agency regarding safety improvements on the A27 in West Sussex; and if he will make a statement. [39533]

Ms Glenda Jackson: There has been recent discussion between my right hon. Friend the Minister of Transport and the Highways Agency about the need for safety improvements along the A27 in West Sussex. We are fully committed to improving the situation and we are aware that there is a considerable amount of local concern about the accident record along this stretch of road.

For the short term the Highways Agency has implemented a scheme at the Boundstone College pelican crossing in Sompting and for the longer term they are considering the provision of a segregated crossing at this

location. In addition, a traffic and safety study of the Chichester Bypass is almost complete and cycle/footbridge is under construction on the Chichester Bypass.

Other proposed safety measures for 1998/99 are improvements at the Sussex Pad; the closure of certain central reservation gaps between Chichester and Worthing; a pedestrian movement study to identify sites for pelican crossings and pedestrian refuges; safety improvements to Burpham Road junction, Arundel; cycle crossing facilities between Chichester and Tangmere, and a study of options to improve traffic management and enhance journey time reliability through Worthing and Lancing.

Contaminated Land

Dr. Gibson: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to issue the technical and procedural guidelines for the treatment of contaminated land. [39731]

Angela Eagle: I refer my hon. Friend to my answer to my hon. Friend the Member for Stoke-on-Trent, North, (Ms Walley), on 23 April 1998, *Official Report*, column 670.

Disabled People (Taxis and Coaches)

Mr. Levitt: To ask the Secretary of State for the Environment, Transport and the Regions what were the outcomes of the recent consultation exercises on the accessibility of *(a)* taxis and *(b)* coaches to disabled people. [40829]

Ms Glenda Jackson: Informal consultation on our proposals for taxis and for buses and coaches under the Disability Discrimination Act 1995 has recently been completed. A large number of responses have been received from industry, from local authorities and from disability organisations. Those responses are still being analysed and the results will be incorporated in a further stage of consultation on the basis of draft regulations which will take place later in the year.

Regional Development Agencies

Sir Raymond Powell: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 8 April 1998, *Official Report*, column *286*, on regional development agencies, if he will list the nominations submitted for regional development agencies; if unsuccessful nominees will be informed of the reasons for their rejection; and if they will be considered for any vacancies which occur after the boards are set up. [40828]

Mr. Caborn: All dealings between Ministers and candidates for appointment are private; we do not intend to list the nominations submitted nor publicise the reasons for the rejection of candidates. We are considering a large number of high calibre candidates, not all of whom can be appointed this time round. We will therefore reconsider those who have been unsuccessful this time when future appointments come to be made.

Litter

Mr. Robathan: To ask the Secretary of State for the Environment, Transport and the Regions how many people have been prosecuted for leaving litter in a public open-air place under the Environmental Protection Act 1990. [40776]

Angela Eagle: During 1996, 626 people were prosecuted for littering offences under the Environmental Protection Act 1990; of these 468 were convicted. Figures for 1997 are not yet available.

Travel Agents

Mr. Vaz: To ask the Secretary of State for the Environment, Transport and the Regions how many travel agents in the United Kingdom operate under *(a)* ATOL, *(b)* IATA and *(c)* ABTA. [40850]

Ms Glenda Jackson: Travel agents in the UK are not required to hold Air Travel Organisers' Licences. However, some travel agents do hold ATOLs because, as well as being agents, they also act as travel organiser principals. There are 1,740 ATOL holders at present but we are unable to say how many of these also undertake agency business. Information obtained from IATA and ABTA indicates that the number of travel agent members of these organisations is presently 1,548 and 2,330 respectively.

Mr. Vaz: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the operation of ATOL. [40851]

Ms Glenda Jackson: The Air Travel Organisers' Licensing (ATOL) scheme was introduced in 1972 to protect air passengers in the event of the failure of a tour operator by ensuring the availability of funds to repatriate passengers stranded abroad and reimburse those who had paid for their holidays but had yet to travel. The scheme is operated by the Civil Aviation Authority under the Civil Aviation (Air Travel Organisers' Licensing) Regulations 1995, as amended in 1996 and 1997.

To hold an ATOL, a travel organiser must put up a bond and satisfy certain financial fitness criteria established by the CAA. The bond is determined according to the projected level of turnover and the nature and risk of the business. In the event of failure the CAA may call in the bond to provide funds to repatriate and reimburse customers of the failed operator. If the bond proves insufficient to cover the liabilities a back-up fund, called the Air Travel Trust Fund (ATTF), is available to meet any shortfall.

The ATOL scheme operates effectively to protect passengers and the bond levels imposed by the CAA are generally sufficient to cover the majority of failures. Although the CAA monitors carefully the performance of ATOL holders, unpredictable and sometimes very large failures do occasionally occur.

Mr. Vaz: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has for changes in the regulation of travel agents by the Civil Aviation Authority. [40852]

Ms Glenda Jackson: The Civil Aviation Authority does not regulate travel agents. This is a matter for consideration by the Minister for Competition and Consumer Affairs at the Department of Trade and Industry.

Mr. Vaz: To ask the Secretary of State for the Environment, Transport and the Regions what is the total value of the bonds held by the CAA under the ATOL scheme; and what plans he has to raise the level of the ATOL bond. [40853]

Ms Glenda Jackson: The total value of bonds held by the CAA under the ATOL scheme is £1.3 billion. Bond levels are an operations matter for the CAA but I am advised that they have no plans to increase the level of bond.

Traffic Management, Harrogate

Mr. Willis: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received regarding the decision of North Yorkshire County Council to reject the proposals by Harrogate Borough Council for the use of on-street car parking revenues for traffic management in Harrogate; and if he will make a statement. [40396]

Ms Glenda Jackson: No representations have been received regarding this matter. Under the provisions of the Road Traffic Regulation Act 1984 it is for the County Council as highway authority to decide how any surpluses from on-street parking charges are spent, subject to the restrictions set out in Section 55 of the Act.

Plutonium Waste

Mr. Flynn: To ask the Secretary of State for the Environment, Transport and the Regions what plans the Government have for the management of the plutonium waste held in the United Kingdom; and what plans he has to fund research into its safe disposal. [40184]

Mr. Battle: I have been asked to reply.

There are quantities of plutonium waste, usually referred to as plutonium contaminated material, or PCM, held at a number of sites owned by BNFL, UKAEA, and MoD. Subject to compliance with all the relevant legislation, the management of these wastes is the responsibility of the owners of the material.

It was intended that this material should be disposed of to the repository which Nirex hoped to build if investigations near Sellafield had shown the site to be suitable. Planning permission for a rock characterisation facility at that site was not, however, granted. The waste will therefore remain in safe, secure storage pending the recommendations of the House of Lords Select Committee which is inquiring into radioactive waste management, and wide consultation on this topic which my right. hon. Friend the Secretary of State for the Environment, Transport and the Regions has indicated will follow the report of that Committee.

The waste owners will no doubt review what research it is appropriate to fund in the light of the forthcoming recommendations.

TREASURY

Amusement Machines

Mr. Purchase: To ask the Chancellor of the Exchequer what additional yield was anticipated from skill-with-prizes machines following increases in amusement machine licences duty in *(a)* 1996–97 and *(b)* 1997–98; and what are the actual yields. [39730]

Dawn Primarolo *[holding answer 29 April 1998]:* There were no increases in amusement machine licence duty in 1996–97 and 1997–98. Separate figures for the duty yield from skill-with-prizes machines cannot be calculated. The actual yield in 1996–97 from amusement machine licence duty was £128 million and in 1997–98 was £131 million (provisional figures).

Tax Credits

Mr. Gibb: To ask the Chancellor of the Exchequer if the National Audit Office has approved the change in presentation in the Red Book explained at paragraph B60 in which tax credits are netted off against tax receipts. [39772]

Dawn Primarolo *[holding answer 27 April 1998]:* The NAO have not been asked to look at how the public finances projections are presented in the FSBR. At the Chancellor's request, they have audited key assumptions and conventions underlying the projections of the public finances.

Mrs. May: To ask the Chancellor of the Exchequer what proportion of the expenditure on working families tax credit in 1999–2000 identified in the Red Book *(a)* will comprise payments to recipients and *(b)* relates to initial set-up and other costs. [40326]

Dawn Primarolo *[holding answer 30 April 1998]:* All expenditure on the Working Families Tax Credit identified in the Red Book relates to payments to recipients.

Fuel Duty

Mr. Swinney: To ask the Chancellor of the Exchequer what data he has evaluated indicating that increasing the duty on fuel results in lower car use; and if he will make the studies available in the Library. [39780]

Dawn Primarolo *[holding answer 27 April 1998]:* The Government have evaluated many studies based on evidence from both trends over time and from different countries, which demonstrate that higher fuel costs dissuade motorists from using their vehicles. The majority of these studies are available publicly, and are too numerous to be placed in the Library. A review of these studies was compiled by Professor P. Goodwin and was published in the Journal of Transport and Economics and Policy (May 1992).

In addition, the DETR published the National Road Traffic Forecasts Great Britain (1997) last October, a copy of which was placed in the Library of the House. The

forecasting methodology takes account of the effect of motoring costs on vehicle use through a relationship based on data going back to 1950.

Taxation

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer (1) if he will provide estimates of the amounts of *(a)* income tax, *(b)* NICs, *(c)* VAT, *(d)* other indirect taxes, *(e)* local taxes (i) paid by typical families in each year since 1995–96, and (ii) forecast to be paid in 1998–99 on a basis consistent with Table 13.7 of the Treasury Tax-Benefit Reference Manual; [35235]

(2) if he will update to include the latest information from 1993–94 to 1998–99 the figures for the burden of direct and indirect taxation in the format used in the answer of 26 February 1996, *Official Report*, columns *339–51*, taking into account *(a)* changes made in the 17 March Budget and *(b)* revisions to figures for earlier years, providing separate figures for (i) VAT, (ii) other indirect taxes and (iii) the council tax. [37885]

Dawn Primarolo *[holding answers 23 March and 7 April 1998]:* The available information, which shows tax payments at multiples of median full-time earnings, is given in the table.

Changes which will take effect in 1999 will offer significant help to families, particularly low income families. A one earner couple with 2 children with half median earnings (£168.50 per week) will gain £18.68 a week from the introduction of the Working Families Tax Credit. No family with children with earnings less than £220 per week will pay income tax. Child benefit for the eldest child will be increased by £2.50, the largest real increase since 1978. And all employees earning more than the Lower Earnings Limit will gain £1.28 a week from the abolition of the NICs entry fee. Moreover figures in the table do not take account of the additional help with childcare available to working families through the childcare tax credit within the WFTC. A 2 earner couple on median earnings, with 2 children and childcare costs of £80 per week will gain £46 per week towards this cost. Further consideration is being given to whether the information provided is typical of families in the UK. Similarly, estimating the impact of indirect taxes is imprecise as spending patterns vary widely between households with the same composition and income. The level of council tax payments will also vary depending on where families live. Further consideration is being given to whether the conventions, assumptions and sampling methods can be improved in order to provide information which is meaningful and reliable.

Income Tax, National Insurance, Child Benefit and Family Credit/Working Families Tax Credit at multiples of median full-time earnings

1998–99	*50%*	*75%*	*100%*	*150%*	*200%*	*300%*
Single						
Gross income	168.50	252.75	337.00	505.50	674.00	1,011.00
Income tax	17.72	37.10	56.47	95.23	146.25	281.05
NICs	11.73	20.16	28.58	43.38	43.38	43.38
Net income	139.05	195.50	251.95	366.89	484.37	686.57
Percentage of earnings						
Income tax	10.5	14.7	16.8	18.8	21.7	27.8
NICs	7.0	8.0	8.5	8.6	6.4	4.3
Income tax and NICs	17.5	22.7	25.3	27.4	28.1	32.1
Net income	82.5	77.3	74.8	72.6	71.9	67.9
Married (no children)						
Gross income	168.50	252.75	337.00	505.50	674.00	1,011.00
Income tax	12.24	31.62	50.99	89.75	140.77	275.57
NICs	11.73	20.16	28.58	43.38	43.38	43.38
Net income	144.53	200.98	257.43	372.37	489.85	692.05
Percentage of earnings						
Income tax	7.3	12.5	15.1	17.8	20.9	27.3
NICs	7.0	8.0	8.5	8.6	6.4	4.3
Income tax and NICs	14.3	20.5	23.6	26.4	27.3	31.6
Net income	85.8	79.5	76.4	73.7	72.7	68.5
Married (2 children)						
Gross income	168.50	252.75	337.00	505.50	674.00	1,011.00
Income tax	−55.04	3.86	30.24	69.00	120.02	254.82
NICs	11.73	20.16	28.58	43.38	43.38	43.38
Net income	211.81	228.74	278.18	393.12	510.60	712.80
Percentage of earnings						
Income tax	−25.7	1.5	9.0	13.6	17.8	25.2
NICs	7.0	8.0	8.5	8.6	6.4	4.3
Income tax and NICs	−18.7	9.5	17.5	22.2	24.2	29.5
Net income	125.7	90.5	82.5	77.8	75.8	70.5
Married (2 earners, no children)						
Gross income	168.50	252.75	337.00	505.50	674.00	1,011.00
Income tax	0.00	12.80	30.82	68.71	107.47	185.79
NICs	6.61	15.04	23.46	40.31	57.16	78.70
Net income	161.89	224.92	282.72	396.48	509.37	746.51

Income Tax, National Insurance, Child Benefit and Family Credit/Working Families Tax Credit at multiples of median full-time earnings

1998–99	*50%*	*75%*	*100%*	*150%*	*200%*	*300%*
Percentage of earnings						
Income tax	0.0	5.1	9.1	13.6	15.9	18.4
NICs	3.9	5.9	7.0	8.0	8.5	7.8
Income tax and NICs	3.9	11.0	16.1	21.6	24.4	26.2
Net income	96.1	89.0	83.9	78.4	75.6	73.8

Including tax and benefit measures announced in the Budget and due to be introduced in 1999 (MCA at 10%, abolition of employee NI entry fee, introduction of WFTC, increase in Child Benefit)

1998–99	*50%*	*75%*	*100%*	*150%*	*200%*	*300%*
Single						
Gross income	168.50	252.75	337.00	505.50	674.00	1,011.00
Income tax	17.72	37.10	56.47	95.23	146.25	281.05
NICs	10.45	18.88	27.30	42.10	42.10	42.10
Net income	140.33	196.78	253.23	368.17	485.65	687.85
Percentage of earnings						
Income tax	10.5	14.7	16.8	18.8	21.7	27.8
NICs	6.2	7.5	8.1	8.3	6.2	4.2
Income tax and NICs	16.7	22.2	24.9	27.1	27.9	32.0
Net income	83.3	77.9	75.1	72.8	72.1	68.0
Married (no children)						
Gross income	168.50	252.75	337.00	505.50	674.00	1,011.00
Income tax	14.07	33.44	52.82	91.58	142.60	277.40
NICs	10.45	18.88	27.30	42.10	42.10	42.10
Net income	143.98	200.43	256.88	371.82	489.30	691.50
Percentage of earnings						
Income tax	8.3	13.2	15.7	18.1	21.2	27.4
NICs	6.2	7.5	8.1	8.3	6.2	4.2
Income tax and NICs	14.5	20.7	23.8	26.4	27.4	31.6
Net income	85.5	79.3	76.2	73.6	72.6	68.4
Married (2 children)						
Gross income	168.50	252.75	337.00	505.50	674.00	1,011.00
Income tax	−74.39	−23.97	26.45	68.33	119.35	254.15
NICs	10.45	18.88	27.30	42.10	42.10	42.10
Net income	232.44	257.84	283.25	395.07	512.55	714.75
Percentage of earnings						
Income tax	−44.2	−9.5	7.8	13.5	17.7	25.1
NICs	6.2	7.5	8.1	8.3	6.2	4.2
Income tax and NICs	−38.0	−2.0	15.9	21.8	23.9	29.3
Net income	137.9	102.0	84.1	78.2	76.0	70.7
Married (2 earners, no children)						
Gross income	168.50	252.75	337.00	505.50	674.00	1,011.00
Income tax	0.43	14.63	32.64	70.54	109.30	187.62
NICs	4.05	12.48	20.90	37.75	54.60	76.14
Net income	164.02	225.65	283.46	397.21	510.11	747.24
Percentage of earnings						
Income tax	0.3	5.8	9.7	14.0	16.2	18.6
NICs	2.4	4.9	6.2	7.5	8.1	7.5
Income tax and NICs	2.7	10.7	15.9	21.5	24.3	26.1
Net income	97.3	89.3	84.1	78.6	75.7	73.9

Notes:

1. Income tax payments are calculated on the basis that the households receive no tax reliefs other than the standard allowances and have income only from employment. All earners including wives, are assumed to pay Class 1 national insurance contributions at the contracted-in rate.

2. Earnings are taken to be the median gross weekly earnings of all full-time employees on adult rates with pay unaffected by absence. (Median earnings are more representative of the population as a whole than mean male full-time earnings). The level of earnings in 1998–9 is based on a stylised assumption in line with the actual outturn for earnings growth in the year to January 1998.

3. A family with 2 children is assumed to have one child aged under 11 and the other between 11 and 15.

4. In line with the convention in the Tax Benefit Reference Manual, child benefit is treated as negative income tax. Following the introduction of the Working Families Tax Credit, Family Credit, although it is not part of the tax system, has been treated in the same way so as to provide comparability with the tax system following the introduction of the WFTC.

Parliamentary Questions

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer (1) when he expects to answer the question from the hon. Member for Gordon of 23 March 1998 (35235) on taxation paid by typical families; [40425]

(2) when he expects to answer the questions from the hon. Member for Gordon of 7 April 1998 on *(a)* the costs of resolving the millennium bug problem in the National Health Service (37992) and *(b)* the burden of taxation (37885); what factors underlie the delay in answering; and if he will make a statement. [40426]

Mr. Gordon Brown: Question 37992 about the millennium bug problem in the National Health Service was addressed to the Secretary of State for Health, not to me. Questions 35235 and 37885 have been answered today.

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer when he expects to answer the question from the hon. Member for Gordon of 23 January 1998 (24778) on receptions held at 11 Downing Street, what factors underlie the delay in answering; and if he will make a statement. [40424]

Mrs. Liddell: My right hon. Friend the Chancellor did so on 26 February 1998, *Official Report*, columns *358–59*.

Credit Unions

Mr. Drew: To ask the Chancellor of the Exchequer what plans he has to review existing arrangements for those saving via credit unions. [40400]

Mrs. Liddell: I refer my hon. Friend to the answer I gave to my hon. Friend the Member for Edmonton (Mr. Love) on 20 March 1998, *Official Report*, columns *743–44*.

National Insurance

Mr. Gibb: To ask the Chancellor of the Exchequer, pursuant to his answer of 8 April 1998, *Official Report*, column *243*, if he will estimate the number of employees in respect of whom employers will pay higher NICs as a result of the measures announced in his recent Budget. [39242]

Dawn Primarolo *[holding answer 20 April 1998]:* From April 1999, employers will no longer pay NICs in respect of up to one million employees earning between £64 and £81 a week. Employers will also pay lower NICs in respect of approximately twelve million employees earning between £81 and £450 a week (broadly, male average earnings). Employer NICs will increase in respect of approximately seven million employees. The majority of these employees will be earning more than average male earnings.

Electronic Version Return System

Mrs. Dunwoody: To ask the Chancellor of the Exchequer what indemnity is offered to consumers for errors in tax status as a result of using the EVR system. [39927]

Dawn Primarolo: The Electronic Version of the Tax Return (EVR) has the same status as a conventional paper Return and carries with it no indemnities for error in completion. The taxpayer is required to sign the same declaration on the EVR as on Paper returns.

Mrs. Dunwoody: To ask the Chancellor of the Exchequer what plans he has for the future development of the EVR system. [39925]

Dawn Primarolo: There are no immediate plans to develop the EVR system further. The Inland Revenue is looking at possible options and will consult appropriately when it is in a position to make proposals.

Mrs. Dunwoody: To ask the Chancellor of the Exchequer how many copies of EVR have been issued to taxpayers since its launch; and how many have been used. [39924]

Dawn Primarolo: Just over 120,000 copies of the EVR have been issued to taxpayers since its launch. For the tax year 1996–97 around 70,000 copies were issued and at least 28,000 were used to file a tax return. For the 1997–98 tax year just over 50,000 copies of the EVR have been issued to date.

Mrs. Dunwoody: To ask the Chancellor of the Exchequer if he will make a statement on the profit made by Her Majesty's Treasury following sales of EVR. [39926]

Dawn Primarolo: The EVR pack is not sold but is freely available to any taxpayer who requests it. There is therefore no profit attached to provision of the EVR.

Mrs. Dunwoody: To ask the Chancellor of the Exchequer if he will list the amount spent by the Inland Revenue on developing and marketing the electronic version of the return EVR system. [39922]

Dawn Primarolo: The amount spent by the Inland Revenue on project managing, prototyping, developing and testing the electronic version of the return was £600,000. There were no marketing costs as the EVR is offered to individual taxpayers only as an alternative to the paper return.

Mrs. Dunwoody: To ask the Chancellor of the Exchequer what payments *(a)* Her Majesty's Treasury and *(b)* the Inland Revenue have made over the last two years to EDS for the development of the EVR system. [39923]

Dawn Primarolo: The Inland Revenue, a Department of Her Majesty's Treasury, has paid £201,000 to EDS for the IT development of the EVR system.

Married Couples Allowance

Mr. Amess: To ask the Chancellor of the Exchequer by what amount the real value of the over 65 married couples allowance will have changed between 1990–91 and *(a)* 1998–99 and *(b)* 1999–2000 taking account of the reduction in the rate at which the allowance is given and assuming that the allowance is increased in 1999–2000 in line with inflation and that it is increased to protect its real value to pensioners, when the rate at which the allowance is given is reduced. [40161]

Dawn Primarolo: The information is given in the tables. These compare the level of the 1990–91 revalorised married couple's allowance against the actual

level in 1998–99 and 1999–2000. It is assumed that allowances in 1999–2000 are indexed in line with an illustrative assumption of 3¼ per cent. given in the Financial Statement and Budget Report, March 1998.

Married couple's allowance (aged 65–74)

£

	1998–99	1999–2000
1990–91 revalorised level	2,885	2,985
Actual level	3,305	5,135

£

	1998–99	1999–2000
1990–91 revalorised value[1]		
Lower rate taxpayer	577	597
Basic rate taxpayer	664	687
Higher rate taxpayer	1,154	1,194
Actual value[2]	496	513
Reduction in value		
Lower rate taxpayer	81	84
Basic rate taxpayer	168	174
Higher rate taxpayer	658	681

[1] MCA given at marginal rates.
[2] MCA given at 15 per cent. in 1998–99 and 10 per cent. in 1999–2000.

Married couple's allowance (aged 75 and over)

£

	1998–99	1999–2000
1990–91 revalorised level	2,935	3,035
Actual level	3,345	5,195

£

	1998–99	1999–2000
1990–91 revalorised value[1]		
Lower rate taxpayer	587	607
Basic rate taxpayer	675	698
Higher rate taxpayer	1,174	1,214
Actual value[2]	502	519
Reduction in value		
Lower rate taxpayer	85	88
Basic rate taxpayer	173	179
Higher rate taxpayer	672	695

[1] MCA given at marginal rates.
[2] MCA given at 15 per cent. in 1998–99 and 10 per cent. in 1999–2000.

VAT (Sporting Facilities)

Mr. Maude: To ask the Chancellor of the Exchequer if he will estimate how much revenue would be raised in (i) 1998–99, (ii) 1999–2000, (iii) 2000–01, (iv) 2001–02, and (v) 2002–03, if the supply of sporting facilities was subject to VAT liability at 17.5 per cent. [40159]

Dawn Primarolo: If VAT were to be charged at 17.5 per cent. on the supply of sporting facilities by non-profit making organisations, the estimated annual revenue yield would be some £40 million.

Beer Brewing Industry

Mr. Sayeed: To ask the Chancellor of the Exchequer what assessment he has made of the methodology and structure of the model used by Oxford Economic Forecasting to study the implications of different levels of duty for the beer brewing industry. [40086]

Dawn Primarolo: Officials from Customs and Excise and HM Treasury have met Oxford Economic Forecasting to discuss their work on forecasting the impact on the economy of a cut in beer duty. We do not believe that this work demonstrates that cutting beer duty would provide a sustainable benefit to the economy.

Oil and Gas Revenue

Mr. Waterson: To ask the Chancellor of the Exchequer what was the net annual income obtained by the Treasury from the extraction of oil and gas in the North Sea in the last year for which figures are available. [39990]

Dawn Primarolo: Government revenues from North Sea oil and gas were £3.4 billion in 1997–98.

Inheritance Tax (Access Agreements)

Mr. Todd: To ask the Chancellor of the Exchequer if he will publish the location of and access arrangements for items within Derbyshire in respect of which owners have been granted exemption from inheritance tax on condition of reasonable access being given to the public. [39698]

Mr. Laxton: To ask the Chancellor of the Exchequer if he will list the location and access arrangements of sites in Derbyshire where owners have been granted exemption from inheritance tax on condition that reasonable public access is given to the land. [39959]

Dawn Primarolo: Details of conditionally exempt works of art and other objects to which public access is by appointment only, including those in Derbyshire, are listed in the Inland Revenue's Register.

The computerised Register is available on the Internet at www.cto.eds.co.uk. The Register may also be consulted at the Victoria and Albert Museum, London, the National Library of Scotland, Edinburgh, the National Museum of Wales, Cardiff, and the Ulster Museum, Belfast.

The statutory rules on taxpayer confidentiality prevent me from providing the requested information about other conditionally exempt assets.

Milk Development Council

Mr. Livsey: To ask the Chancellor of the Exchequer if the Milk Development Council will be exempt from corporation tax. [40103]

Dawn Primarolo: I cannot disclose details of anybody's tax position. However, I understand from its Annual Report that the Milk Development Council regards itself as a scientific research association. Whether an organisation qualifies as a scientific research association and is therefore eligible for tax relief under section 508, Income and Corporation Taxes Act 1988, is decided by the Department of Trade and Industry. They are reviewing their criteria for this status.

Migration

Mr. Andrew George: To ask the Chancellor of the Exchequer how many people *(a)* emigrated from and *(b)* immigrated into the United Kingdom in each of the past 10 years. [40597]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Andrew George, dated 5 May 1998:

As Director of the Office for National Statistics, I have been asked to reply to your recent question about estimates of international migration into and out of the United Kingdom.

The information requested is shown below.

Overall international migration: 1987 to 1996

Thousands

	Inflow to UK	*Outflow from UK*
1987	257.4	227.3
1988	273.4	255.5
1989	314.3	223.4
1990	340.2	251.9
1991	337.0	263.7
1992	286.6	251.5
1993	272.2	236.8
1994	321.4	212.6
1995	320.7	212.0
1996	331.4	238.4

The estimates in the table are derived from data on migration intentions obtained from the International Passenger Survey, from information on migration to and from the Irish Republic obtained from the National Health Service Central Register and the Irish Labour Force Survey, and from data on short-term visitors who were granted an extension of stay obtained from the Home Office.

International Debt

Ms Drown: To ask the Chancellor of the Exchequer how much debt was owed to the Department for International Development by each individual debtor country at 31 December 1997. [39668]

Clare Short: I have been asked to reply.

At 31 December 1997 a total of £160,777,000 was outstanding to my Department in the form of loans agreed under bilateral arrangements.

The following list shows the individual amounts due to be repaid.

Total bilateral debt outstanding at 31 December 1997

Country	*£*
Brazil	2,569,000
Cameroon	67,000
Cayman Islands	265,000
Colombia	222,000
Costa Rica	1,434,000
Cyprus	161,000
Ecuador	12,421,000
Falkland Islands	7,000
Gibraltar	185,000
India	13,643,000
Jamaica	47,347,000
Laos	4,000
Liberia	78,000
Malaysia	3,814,000
Nigeria	4,929,000
Paraguay	2,109,000
Philippines	3,459,000
Seychelles	7,580,000
Solomon Islands	3,833,000
St. Kitts	3,023,000
St. Vincent	3,552,000
Swaziland	2,247,000
Turkey	34,318,000
Zimbabwe	13,510,000
Total	166,777,000

Subject to review in April 1999

FOREIGN AND COMMONWEALTH AFFAIRS

Western Sahara

Ms Kingham: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps have been taken by Her Majesty's Government during their presidency of the EU to support the United Nations peace plan for Western Sahara. [39950]

Mr. Fatchett: At every available opportunity we continue to urge Morocco and Polisario, and to a lesser extent Mauritania and Algeria, to co-operate with MINURSO. We are in regular contact with the Moroccan Embassy and Polisario office in London and with the Moroccan Government in Rabat.

We believe our role, and that of the EU, should be to support the work of the United Nations, where our seat on the Security Council, and our position as co-ordinators of the Friends of Western Sahara Group, enabled us to play a central role in the negotiations over the extension of MINURSO's mandate to 20 July.

I held talks with the new UN Special Representative to the Western Sahara, Mr. Charles Dunbar when he visited London on 19 February on his way to the territory. I underlined our continued support for the Secretary General, Mr. Baker, and Mr. Dunbar, and our readiness to assist.

We were instrumental in altering EU policy on visits to the Western Sahara so that Ambassadors and senior officials can visit the territory, whereas beforehand visits had been restricted to junior staff.

Foreign Office officials visited Laayoune in January and March. As well as bringing us up to speed on developments and establishing an important visible presence, they were able to support MINURSO on the spot and provide a full report for the EU on developments there.

Officials propose visiting Tindouf, Algeria, in June, as part of our next visit to the territory. Our Ambassador to Rabat is in northern Mauritania at the present time.

Visits (Universities)

Mr. Harvey: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 26 March 1998, *Official Report*, column *238*, what factors

underlay the selection of universities his Department's officials will visit; and what plans his Department's officials have to visit Exeter University. [40203]

Mr. Tony Lloyd: Our aim is to visit each university every 4–5 years. In addition we are paying particular attention to:

- former polytechnics
- good source of minority ethnic students according to the Windsor Fellowship
- high proportion of female students
- good hard language department
- leading university in the field of EU studies (included from 1997).

Exeter university was last visited in 1993 and will be targeted for either a careers fair or careers presentation this autumn.

Nuclear Waste

Mr. Alasdair Morgan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish the minutes of the discussions between Her Majesty's Government and the Governments of the USA and Georgia concerning the forthcoming shipments of radioactive material from Georgia to the United Kingdom. [39900]

Mr. Tony Lloyd *[holding answer 30 April 1998]:* In July 1997 US officials approached the UK and France, via our respective Embassies in Washington, to ask whether we would consider accepting approximately 5kg of fresh and spent highly enriched uranium fuel from Tbilisi, Georgia. The US also provided written details of the fuel. The proposal was subsequently considered by UK Ministers and officials. In early February 1998 the UK informed the US that we had decided to accept the material. After the decision to accept the fuel had been made, UK and US officials met to discuss how best to arrange to transport the fuel to the UK safely, securely and in conformity with national and international requirements. No official minutes were taken at that meeting.

No discussions were held between the UK and Georgian Governments prior to UK agreement. The British Embassy in Tbilisi informed the Georgian Government of our decision on 2 March.

Papers relating to this transfer will be laid in the House shortly, in line with the commitment made by the Minister of State, my hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson) on 22 April 1998, *Official Report*, columns 821–27.

Regional and Minority Languages

Mr. Andrew George: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer to the hon. Member for Ceredigion (Mr. Dafis) of 9 March 1998, *Official Report*, column 56, when he expects to announce the United Kingdom's signing of the Council of Europe Charter on Regional or Minority Languages. [40600]

Mr. Tony Lloyd: The relevant Government Departments are continuing to take the question forward and an announcement will be made regarding UK signature and ratification of the Charter in due course.

Treaty of Rome

Mr. Gill: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement identifying the types of derogation from the Treaty of Rome, as amended, that are without time limit. [40479]

Mr. Doug Henderson: There are a number of Articles in the Treaty of Rome which allow Member States to derogate from the normal application of Community law rules. Examples are Articles 36, 55, 56, 222 and 223.

Derogations may also be found in the protocols to the Treaty, for example the protocols which permit the UK and Denmark not to move to the third stage of economic and monetary union.

Unlike transitional provisions which give newly acceded Member States certain derogations of limited duration, these derogations are not time limited in their application.

Child Labour (Pakistan)

Mr. Hancock: To ask the Secretary of State for Foreign and Commonwealth Affairs when he next plans to meet the Pakistani High Commissioner to discuss the issue of bonded child labour in Pakistan. [40438]

Mr. Fatchett: Neither my right hon. Friend the Foreign Secretary nor have I immediate plans to meet the Pakistan High Commissioner. Pakistan law prohibits bonded labour. We raise the issue with the Pakistan authorities both bilaterally and with EU partners. We shall continue to urge them to implement the legislation fully.

Sudan

Ann Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Sudanese Government to ensure that food aid can be delivered rapidly to the areas affected by famine. [40460]

Mr. Fatchett: Through our Ambassador in Khartoum we have urged the Government of Sudan (GoS) to facilitate the rapid delivery of aid to the areas affected by famine. We welcome the GoS decision to resume aid flights to Bahr El Ghazal and will be pressing them to agree to requests by the UN for increases in the daily aid flights.

Kenny Richey

Mr. Drew: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the United States Government on behalf of Kenny Richey, a British citizen currently sentenced to death in the State of Ohio. [40401]

Mr. Tony Lloyd: We have been aware of Mr. Richey's case since 1990 and are watching developments closely (though this is not always easy because Mr. Richey is not a British citizen and because of the strict privacy laws in the United States). As Mr. Richey's case is under appeal, we are not intervening directly with the US authorities at this stage, but we shall keep this under review.

Iraq

Mr. Kaufman: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will set out the

conditions contained in United Nations Security Council resolutions which require to be fulfilled before sanctions on Iraq can properly be lifted. [40427]

Mr. Fatchett: United Nations Security Council resolution 687 provides that the Security Council will consider lifting the sanctions imposed on Iraq

"in the light of the policies and practices of the Government of Iraq, including the implementation of all relevant resolutions of the Security Council".

These of course include resolution 687 itself which imposed obligations on Iraq with regard to the elimination under international supervision of weapons of mass destruction.

Broadcasting Expenditure

Mr. Love: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his Department's estimated expenditure on *(a)* radio programming, *(b)* television and *(c)* British Satellite News, for the current financial year; and what were the figures for each service over the last three years. [40428]

Mr. Fatchett: Total expenditure on *(a)* radio programming, *(b)* television and *(c)* British Satellite News (BSN) for the current financial year and last three years is as follows:

£

	1998–99 budget	*1997–98 outturn*	*1996–97 outturn*	*1995–96 outturn*
Radio	1,644,000	1,475,338	1,245,544	1,343,000
Television	997,637	1,512,719	1,289,864	1,844,883
BSN	2,102,000	2,322,187	2,257,477	2,147,546

Mr. Love: To ask the Secretary of State for Foreign and Commonwealth Affairs what are the Foreign and Commonwealth Office's future spending plans for international broadcasting; and if he will make a statement. [40429]

Mr. Fatchett: We are examining with the Treasury how we deploy all our resources, including those dedicated to the World Service, as part of the Government's Comprehensive Spending Review.

Court of Human Rights

Mr. McNamara: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) what instructions his Department gave to Her Majesty's Ambassador to the Council of Europe to inform the British Parliamentary Delegation to the Council of Europe of the advantages of a particular candidate for the post of British candidate for the Court of Human Rights; [40578]

(2) if he will make a statement on the procedures followed by his Department in choosing the British candidate for the Court of Human Rights indicating *(a)* the criteria determining the selection of candidates, *(b)* the means by which the shortlist was made, *(c)* the number of candidates interviewed before the final selection was made and *(d)* those officials, departments and ministers involved in the selection; [40584]

(3) for what reasons Her Majesty's Government prioritise their candidates in order of preference for the position of British judge in the Court of Human Rights; [40579]

(4) for what reasons his Department did not accept the recommendations of the Kirkhill Sub-Committee of the Committee of Legal Affairs of the Council of Europe on the most suitable British candidate for the Court of Human Rights; [40583]

(5) from which *(a)* countries and *(b)* individuals his Department received requests for advice on whom to vote for among the British candidates for the post of judge for the Court of Human Rights; [40585]

(6) if he will list those members of the Council of Europe who prioritised their order of preferences for candidate judges for the Court of Human Rights; [40582]

(7) whether, following the recommendation of the Kirkhill Sub-Committee of the Legal Affairs Committee of the Council of Europe on the Sub-Committee's preferred candidate, his Department made any approaches to the Chairman or other members of the Committee or the Secretariat as to the Sub-Committee's recommendation; [40586]

(8) which ministers and officials were responsible for *(a)* choosing the British candidates for the Court of Human Rights and *(b)* determining the order of preferences of the candidates; [40611]

(9) what response officials in his Department gave to inquiries from *(a)* foreign nationals and *(b)* others seeking advice on whom to vote for in the election for the British judge in the Court of Human Rights. [40580]

Mr. Tony Lloyd: This Department, in collaboration with the Lord Chancellor's Department (LCD) and the Home Office, drafted a set of objective criteria for the selection of candidates for the European Court of Human Rights. These criteria incorporated the requirements for election as a judge set out in Protocol 11 to the European Convention on Human Rights, and included in addition the criteria applied by the LCD for the selection of circuit judges. The criteria were used for the selection of candidates by the assessment and interview panel established for the selection process. They were also made available to candidates.

The assessment and interview panel consisted of two judicial members (Lord Justice Simon Brown and the Lord President Lord Rodger of Earlsferry), two legally qualified Government officials (Sir Thomas Legg, then Permanent Secretary at the LCD, and Sir Franklin Berman, FCO Legal Adviser) and a lay member (Ms Joanna Foster, Director of the BT Forum and former Chair of the Equal Opportunities Commission).

Following advertisement of the position in the national and legal press, the panel met to consider which of the candidates to invite to interview. Of the 33 candidates identified, the panel interviewed five. The panel proposed three candidates to my noble Friend the Lord Chancellor in a specific order of preference, while making it clear that each of the three was a highly creditable candidate. My noble Friend the Lord Chancellor sought and received formal agreement to these candidates from me. This correspondence was copied for information to my right hon. Friends the Prime Minister, the Home Secretary, the

Attorney-General and the Chancellor of the Exchequer and my noble Friends the Lord Advocate and the Solicitor-General. The selection procedure for the three UK candidate judges was a model process which, as far as we are aware, went beyond procedures in other Council of Europe countries for transparency and thoroughness.

We decided to submit the names of the three candidates in the order of preference recommended by the panel because it believed that the rigorous national selection process had identified a clear order of suitability in respect of the three candidates. We believed it was right to reflect the results of this process in submitting the candidate list to Strasbourg. There are no rules, procedures or understandings in Strasbourg to prevent this, and 29 of the 39 states parties to the Convention submitted candidate lists, explicitly or implicitly, in order of preference.

We considered it important to discuss these matters with the UK Parliamentary Delegation to the Council of Europe. I met the leader of the UK Parliamentary Delegation in December to discuss the list before it was sent to Strasbourg.

We were not required to take a position on the recommendations of the Council of Europe Sub-Committee chaired by my noble Friend Lord Kirkhill, which made recommendations on the appointment of judges to the Parliamentary Assembly. Officials did however make unambiguously clear to the Council of Europe Secretariat and others outside the Parliamentary Assembly that the Government, considering the comprehensive national selection process they had undertaken, believed that the order in which the list of candidates had originally been submitted to the Committee of Ministers' Deputies in Strasbourg best represented the relative suitability of the three candidates for the post, particularly with regard to their potential contribution to the new Court.

Officials had no contact with any individual seeking advice on how to vote in the election of the British judge. Following Protocol 11, we took the view that the election was strictly for the Parliamentary Assembly and, accordingly, neither spoke to nor lobbied any member of the Assembly about the election. Nor did the Government lobby the Chairman or members of the Sub-Committee.

British Government officials were in touch with a number of officials in other member states of the Council of Europe, and officials in the Council of Europe Secretariat, as they are on a regular basis. UK officials also had contact with members of non-governmental organisations in the UK.

Officials made it clear that we continued to support the candidates in the order it had been proposed, for the reasons set out in this response, but that the final selection process was entirely a matter for the Parliamentary Assembly. The UK Permanent Representative in Strasbourg took this line with members of the UK Parliamentary Delegation when the issue was raised during a meeting in Strasbourg on 20 April.

From the large number of votes received by our first candidate, Nicolas Bratza QC, who since 1993 has been the British member of the European Commission of Human Rights, it is clear that our opinion was widely shared in the Assembly. We welcome his appointment and wish him and his colleagues well in establishing procedures for the new Protocol 11 Court, which will be the central instrument in guaranteeing human rights in Europe.

I will write separately to my hon. Friend with the details of the states parties that submitted their candidate lists in order of preference. A copy of the letter will be deposited in the Library of the House.

Cuba

Mr. Soames: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Her Majesty's Government's relations with Cuba. [40538]

Mr. Tony Lloyd: We have normal diplomatic relations with Cuba and support normal trade relations in civil goods and services. The EU's Common Position on Cuba, binding on all Member States, enshrines the principle that constructive dialogue and co-operation, not isolation, is the best way to promote change to a pluralist democracy, and encourage respect for human rights, in Cuba.

UK firms are encouraged to exploit the growing civil market opportunities which arise as Cuba undergoes a process of economic liberalisation. We have opened a dialogue with the Cuban Government on the issue of outstanding debt to ECGD and UK firms.

HEALTH

Asthma

Mr. Drew: To ask the Secretary of State for Health how many reported cases of child asthma there have been by area health authority, in each of the last five years. [40402]

Ms Jowell: The information for in-patient treatment for children aged 16 years or under is contained in tables, copies of which have been placed in the Library. They are based on finished consultant episodes, which represent the number of episodes of care under individual consultants. The same child may be counted more than once if they have more than one episode of care.

There are no comprehensive data on the number of children with asthma. On the basis of all the information available, it has been estimated that

"the prevalence of asthma sufficiently severe to require regular medical supervision is from 4–6 per cent. in children."

This estimate is quoted in "Asthma: An Epidemiological Overview" (Central Health Monitoring Unit, 1995), which brought together a broad range of the best statistics on asthma. Copies are available in the Library.

Mr. Burstow: To ask the Secretary of State for Health if he will list the cost to the Health Service of treating asthma *(a)* nationally and *(b)* in London in *(a)* 1994–95, *(b)* 1995–96, *(c)* 1996–97 and *(d)* 1997–98. [40155]

Ms Jowell: The available information about the cost of prescriptions for asthma in the community is shown in the table. Information on the other costs to the National Health Service is not available centrally for individual conditions. However, a discussion document "Burdens of

Disease" was issued in October 1996 which illustrated one approach to estimating the burdens of particular diseases on the NHS. This suggests that in 1992/3 the total cost of other, non-prescribing costs of the NHS services for treating asthma was of the order of £150 million.

Net ingredient cost of prescriptions dispensed in the community in England and London for asthma medication, 1994 to 1996

£ million

Year	*England*	*London*
1994	378.9	45.2
1995	410.9	49.0
1996	437.5	51.4

Notes:

1. The data cover all prescriptions dispensed by community pharmacists, appliance contractors and dispensing doctors, and prescriptions submitted by prescribing doctors for items personally administered in England. The information was obtained from the Prescription Cost Analysis system for drugs used in the treatment of asthma contained in British National Formulary sections 3.1 (bronchodilators), 3.2 (corticosteroids) and 3.3 (Cromoglycate and related therapy). Some of the drugs may be used for the treatment of other conditions.
2. The net ingredient cost refers to the cost of the drug before discounts and does not include any dispensing costs or fees. It does not include any adjustment for income obtained where a prescription charge is paid at the time the prescription is dispensed or where the patient has purchased a pre-payment certificate.

Creutzfeldt-Jakob Disease

Mr. Gill: To ask the Secretary of State for Health how many cases of nv-CJD have occurred in families which have a history of CJD. [40765]

Ms Jowell: None of the cases of new variant Creutzfeldt-Jakob Disease (nvCJD) confirmed by the National CJD Surveillance Unit to date has occurred in families which have a history of CJD.

Mr. Gill: To ask the Secretary of State for Health how many victims of nv-CJD died in the first quarter of 1996. [40766]

Ms Jowell: Five of the cases of new variant Creutzfeldt-Jakob Disease (nvCJD) so far confirmed by the National CJD Surveillance Unit died in the first quarter of 1996.

Hospital Waiting Times

Mr. Hammond: To ask the Secretary of State for Health (1) upon what regularly published data series he relied in making his announcement on 1 April with regard to NHS patients waiting longer than 18 months for surgery; [40461]

(2) how many patients were waiting 18 months or longer for surgery in the NHS on *(a)* 19 February and *(b)* 1 April. [40462]

Mr. Milburn: Information on the numbers of patients awaiting admission to hospital, whether it be for surgery or some other form of treatment, and how long they had been waiting is published quarterly and shows the position at the end of the quarter. Figures showing the position on 19 February and 1 April are not therefore available. My right hon. Friend the Secretary of State based his announcement about the number of patients waiting longer than 18 months on 31 March on management intelligence obtained from health authorities and trusts as a special exercise. Detailed provisional figures for 31 March will be published later this month.

Antibiotic Resistance

Mr. Jack: To ask the Secretary of State for Health what assessment he has made of recent reports on the risks of human beings dying as a result of the development of antibiotic resistance. [40376]

Ms Jowell: Antibiotic resistance can complicate the treatment of some frail patients in hospital and can occasionally be life threatening. In any individual patient, it is usually very difficult to assess the contribution of antibiotic resistance on the outcome of an infection, since many of them are seriously ill from other conditions.

Such resistance is, to some extent, an inevitable result of antibiotic use. Nevertheless, the increasing prevalence of resistant strains is something we are taking very seriously indeed. That is why we have set in hand a number of initiatives to tackle the problem of resistance, including a review of the clinical use of antibiotics and their use in the food chain.

Sir Teddy Taylor: To ask the Secretary of State for Health what assessment he has made on the impact on the health of the population of the use of antibiotics by farmers to promote the growth of animals. [39947]

Ms Jowell: A working group of the independent expert Advisory Committee on the Microbiological Safety of Food has been carrying out an in-depth review of the issue of antibiotic resistance in the food chain and hopes to report later this year. Views have been sought from a wide range of organisations to assist the working group in its deliberations.

Continence Services

Mr. Sanders: To ask the Secretary of State for Health what budget has been allocated to continence care in real terms in each year since 1990–91 in the South and West Devon health authority area. [40761]

Mr. Milburn: The budget allocated to continence care in real terms in each year since 1990–91 in the South and West Devon Health Authority area is as follows. Figures are at 1997/98 outturn price levels.

Year	*£*
1990–91	430,000
1991–92	430,000
1992–93	430,000
1993–94	430,000
1994–95	[1]830,000

[1] The large increase in 1994/95 is explained by the clarification of obligations by health authorities to fund continence care in nursing homes.

Rev. Martin Smyth: To ask the Secretary of State for Health when the NHS plans to issue national guidance on the treatment of incontinence. [40190]

Mr. Milburn: The National Health Service Executive will conduct a review of continence policy to ensure that the most appropriate and effective continence services are

being planned and delivered. The aim will be to issue further guidance on continence services based on the conclusions of the review once it has been completed.

Rev. Martin Smyth: To ask the Secretary of State for Health what level of funding his Department has given to voluntary organisations providing support for incontinent people in each year since 1990–91. [40191]

Mr. Milburn: The Department runs a scheme whereby voluntary organisations operating in the health and personal social services field can apply for grants under Section 64 of the Health Services and Public Health Act 1968. The following amounts have been paid under this scheme:

Year	£
1990–91	10,000
1991–92	nil
1992–93	56,250
1993–94	197,572
1994–95	164,559
1995–96	197,593
1996–97	182,492
1997–98	56,000
1998–99	54,750

Rev. Martin Smyth: To ask the Secretary of State for Health what research his Department has undertaken into the number of incontinent people in the UK seeking advice and products outside the NHS. [40192]

Mr. Milburn: The Department has not conducted any research into this specific area. However there have been four recent research studies on continence.

The Department commissioned the Social Policy Research Unit of York University to research and produce a report on 'The Role of the Continence Advisers in England and Wales'. This was published in January 1994 and distributed to all health authorities, National Health Service trusts and continence advisers.

Three other research projects on incontinence have recently reported:

a feasibility study on costs, quality and effectiveness of continence services (Social Policy Research Unit, University of York);

the development of methodologies to identify urinary incontinence and set targets for health gain (Health and Community Care Research Unit, University of Liverpool);

evaluation of Health Interventions by Continence Services and Primary Health Care Teams on Patient Outcomes Related to Incontinence (Department of Public Health and Primary Care, University of Oxford).

Rev. Martin Smyth: To ask the Secretary of State for Health what funds have been allocated to improved continence services from the winter funding budget, following his Department's press release of 14 October 1997. [40193]

Mr. Milburn: An additional £159 million was allocated to health authorities in England in October 1997 to help ease pressures on the health and social care system during the winter period. This money funded some 1,500 schemes, many of which involved continence services and other services in the community.

Prescription Charges

Mr. Frank Cook: To ask the Secretary of State for Health for what reasons Parkinson's Disease is not included in the list of medical conditions exempted from prescription charges. [26198]

Mr. Kirkwood: To ask the Secretary of State for Health (1) what plans he has to review the pre-payment certificate scheme for prescription charges in respect of those suffering chronic illness on low incomes; [40180]

(2) if he will make the prescription charge exemption scheme for patients with chronic illnesses available to those who suffer from acute rheumatic arthritis; [40178]

(3) if he will list the criteria for access to the prescription charge exemption scheme for long-term illness; and when he next expects to review the types of illnesses which qualify for exemption. [40179]

Mr. Milburn: The list of medical conditions exempt from prescription charges was agreed in 1968 following extensive discussions with the medical profession. These resulted in a limited list of readily identifiable, permanent, life-long conditions all of which require regular medication.

All aspects of prescription charges are being examined as part of the Comprehensive Spending Review which will report in the summer. The review in the Department of Health is being undertaken in the context of our manifesto commitment:

"if you are ill or injured there will be a national health service there to help; and access to it will be based on need and need alone—not on your ability to pay, or on who your general practitioner happens to be or on where you live".

Mr. Bob Russell: To ask the Secretary of State for Health if he will make diagnosed Sjogren's Syndrome sufferers eligible for free dental and prescription costs. [40355]

Mr. Milburn: All aspects of prescription and dental charges are being examined as part of the Comprehensive Spending Review, which will report in the summer. The Review in the Department is being undertaken in the context of our manifesto commitment:

"if you are ill or injured there will be a national health service there to help; and access to it will be based on need and need alone—not on your ability to pay, or on who your general practitioner happens to be or on where you live".

Respite Services

Mr. John Cryer: To ask the Secretary of State for Health what guidance he has issued to health authorities and community healthcare trusts following the LU Bournewood Community and Mental Health Trust judgment to prevent the sudden withdrawal of respite services to adults with severe learning difficulties without alternative provision being in place; and if he will make a statement. [40014]

Mr. Boateng: General guidance about the implications of the Court of Appeal judgment has been issued by the Department and by the Mental Health Act Commission. The note issued by the Commission includes discussion of the arrangements for provision of respite care for patients who lack capacity but the implications of the judgment for this group of patients are not clear and trusts

are therefore advised to seek formal legal advice. This is one of the issues that will be raised in the appeal to the House of Lords which is due to be heard in early June.

It is for health authorities and trusts to decide locally what action they should take and whether there is a need to alter existing arrangements for respite care. I expect National Health Service managers to make every effort to ensure that any changes are implemented with minimum disruption to patients and their carers.

Cannabis

Mr. Gordon Prentice: To ask the Secretary of State for Health if he will make a statement on the meeting held on 10 March between the Chief Medical Officer and departmental officials and the BMA called to discuss the report on the therapeutic uses of cannabis. [40008]

Mr. Boateng: The Chief Medical Officer met British Medical Association representatives to discuss future action on the BMA report "Therapeutic Uses of Cannabis" on 10 March. There was agreement on the importance of encouraging research on cannabinoids because of the potential benefits for people with multiple sclerosis and those with chronic pain, especially during terminal care. Research could take place within existing legislation and the Chief Medical Officer confirmed that the Home Office and Medicines Control Agency are prepared to look sympathetically at bona fide research proposals.

Residential Care

Mr. Gordon Prentice: To ask the Secretary of State for Health if he will list by local authority the number of local authority residential homes for the elderly *(a)* in 1992 and *(b)* at the latest available date; and if he will make a statement. [40007]

Mr. Boateng: Copies of a table giving the information requested have been placed in the Library.

The independent sector has flourished during the period. Local authorities need to ensure in commissioning services, whether from the public or independent sector, that users' needs are considered, and that good quality, cost effective services are provided.

Myasthenia Gravis

Mr. Burstow: To ask the Secretary of State for Health if the improvements in the purity of Pyridostigmine Bromide have resulted in improved resolutions in the medical treatment of myasthenia gravis. [40109]

Ms Jowell: Pyridostigmine bromide is a well established treatment for the management of myasthenia gravis. The European Pharmacopoeia specification has recently changed (with effect from 1 January 1998) and tighter and more detailed limits for impurities have been set. However, there is no reason to suppose that this would result in any improvement in the treatment of myasthenia gravis and the Medicines Control Agency has received no evidence on the effect of these improvements in the purity of pyridostigmine bromide.

Public Health

Mr. Maude: To ask the Secretary of State for Health what assessment his Department has made of the impact of an increase in the price of Britain's sports facilities on the efficacy of advice given to take regular exercise. [40160]

Ms Jowell: The Department's advice on the benefits of physical activity does not depend on the use of special sports facilities. The main thrust of the *Active for Life* campaign, which is administered by the Health Education Authority, is that significant health benefits accrue from simple regular physical activity, such as walking and cycling. These activities can be built into people's normal routines and, therefore, do not require the use of special facilities.

Accident and Emergency Units

Mr. Gill: To ask the Secretary of State for Health what criteria determine the level of provision of accident and emergency units in a given area. [40466]

Mr. Boateng: Health authorities and National Health Service trusts should provide an accident and emergency service which meets the needs of local people. The number and size of accident and emergency departments will therefore vary according to local circumstances.

There is evidence that seriously ill and injured patients do better in larger departments where a high proportion of care is offered by consultant staff, with access to back-up from a range of specialist departments.

In order to help inform local decisions the Department published in January 1997 a review of accident and emergency departments as part of the Health Care Needs Assessment series. In addition in May 1995 the Department published the "Review of Literature on Accident and Emergency Departments and Clinical Outcomes". Copies are available in the Library.

Methicillin-resistant Staphylococcus Aureus

Mr. Flynn: To ask the Secretary of State for Health how many people have died from contracting MRSA in hospital in the last 10 years. [40177]

Ms Jowell: Methicillin-resistant *Staphylococcus aureus* (MRSA) infection can take the form of many different diseases from trivial skin infections to pneumonia or septicaemia. Often the causative micro-organism is not specified on the death certificate. MRSA does not have a distinct code within the revision of the International Classification of Diseases used for encoding death registration data at the Office for National Statistics. Consequently there are no centrally held statistics on deaths from this cause.

Mr. Flynn: To ask the Secretary of State for Health what plans the Government have to fund research into methods of controlling the spread of MRSA in hospitals. [40175]

Ms Jowell: We are considering, with the Medical Research Council and others, the need for any new research in this area and in the whole area of antimicrobial resistance, including taking account of the recommendations of the recent report of the House of Lords Committee on Science and Technology into antibiotic resistance.

Mr. Flynn: To ask the Secretary of State for Health how many incidents of MRSA there have been in each of the last 10 years. [40309]

Ms Jowell: Information on the total number of cases of infection or colonisation with methicillin resistant *Staphylococcus aureus* (MRSA) is not collected centrally.

National epidemiological data on MRSA are compiled by the Public Health Laboratory Service (PHLS) rather than centrally by the Department, from isolates submitted voluntarily by hospitals in England and Wales for specialist microbiological tests. From these data the number of incidents of MRSA—three or more patients infected or colonised by the same strain of MRSA in a month from the same hospital—is recorded. A table showing the number of incidents for the years 1992–1997 is given. Data before 1992 are not available.

Year	*Number of incidents*
1992	342
1993	544
1994	1,064
1995	1,616
1996	2,107
1997	[1]1,136

[1] Data for first six months only.

The Department is currently discussing with the PHLS ways of improving surveillance systems to provide more complete data on MRSA.

Mr. Flynn: To ask the Secretary of State for Health what plans he has to control the spread of MRSA in hospitals. [40176]

Ms Jowell: All hospitals have specialist infection control teams whose function is to advise on the precautions necessary to prevent the spread of infection in the individual circumstances of each hospital and according to the type of patient. The 1998/99 Priorities and Planning Guidance makes it clear that the obligations which health authorities have for communicable disease control in relation to the protection of the public health, must be fulfilled, (EL(97)39).

Copies of current Departmental guidance to the National Health Service on the control of methicillin-resistant staphylococcus aureus (MRSA) and on hospital infection control, (EL(94)74,HSG(95)10) have been placed in the Library. The Department has worked closely with professional organisations on the preparation of new guidelines to the NHS on the control of MRSA, which are scheduled for issue later this year.

Infant Formula

Mrs. May: To ask the Secretary of State for Health what guidelines his Department has issued or intends to issue on the written information that can be made available by manufacturers on infant formula. [40312]

Ms Jowell: We aim to issue guidelines on donations of materials and of equipment for information and education relating to infant formula later this year.

Rural General Practitioners

Mr. Sheerman: To ask the Secretary of State for Health if he will estimate the costs of the dispensing of medicines by rural GP practices in the last year for which figures are available. [40317]

Mr. Milburn: Information on the dispensing costs by rural general practitioner practices only is not available. However, the costs associated with prescriptions dispensed by doctors in England in 1997–98 are shown in the table. This includes items administered personally such as influenza vaccines as well as items dispensed by dispensing general practitioners.

Payments made for prescriptions dispensed by doctors, 1997–98 England

	£ million
1997–98	
Basic price	291.4
Discount	26.9
On cost allowance	30.6
Percentage addition to basic price	—
Fees	32.8
Container allowance	1.3
Total payment oxygen	0.1
VAT	38.3
Total cost	367.6

Notes:
1. Information obtained from the Prescription Pricing Authority form PD1(A)DD.
2. The information relates to prescriptions dispensed in the periods February to January, most of which are paid in the periods April to March.
3. The information includes items personally administered by dispensing doctors.

Community Hospitals

Mr. Nicholls: To ask the Secretary of State for Health, pursuant to his answer of 30 March 1998, *Official Report*, column *431*, if he will now announce his decision on the proposals for service changes put forward by the Cornwall and Isles of Scilly Health Authority. [40421]

Mr. Milburn: The importance of this issue to local people is recognised, and it requires careful consideration. My right hon. Friend the Secretary of State will be making a decision at the earliest opportunity on the proposals for service changes put forward by the Cornwall and Isles of Scilly Health Authority.

Medical Devices Agency

Mr. Caplin: To ask the Secretary of State for Health if he will publish the key targets for 1998–99 for the Medical Devices Agency. [40926]

Ms Jowell: We have agreed the Agency's key targets for 1998–99, and placed copies in the Library.

Multiple Sclerosis

Mr. Jim Cunningham: To ask the Secretary of State for Health how many people have multiple sclerosis in *(a)* Coventry and *(b)* the West Midlands. [40227]

Mr. Boateng: Multiple sclerosis is not a notifiable disease and therefore no register is kept of the number of patients in Coventry Health Authority or the West Midlands.

Mr. Jim Cunningham: To ask the Secretary of State for Health if he will make a statement on the provision of treatment for those with multiple sclerosis in *(a)* the West Midlands and *(b)* England. [40228]

Mr. Boateng: The National Health Service provides a wide range of services to which people with multiple sclerosis have access, and such patients are seen within a wide range of hospital specialties. Patients can discuss the options available to them with their general practitioner, and they may also request an assessment of their needs by local authority social services departments. It is currently up to health authorities and GP fundholders to assess the needs of their local population and commission services appropriately.

The "New NHS" White Paper sets out a clear vision of the kind of NHS to which we are committed—a truly national service which has quality at its heart. We want to improve quality through a range of initiatives which will drive up standards of care in those areas where they are lacking.

HOME DEPARTMENT

Child Asylum Seekers

Ms Drown: To ask the Secretary of State for the Home Department what instructions are given to immigration officers on how to identify an unaccompanied child seeking asylum in the absence of documentary evidence about the child's age. [39857]

Mr. Mike O'Brien: Immigration officers identify unaccompanied minors by appearance and demeanour in making an initial assessment. Where there is no independent evidence of age, the burden of proof rests with the applicant to show that he/she is under 18, although the Immigration Service errs on the side of caution when age is in dispute.

There are currently no specific guidelines to immigration officers on the identification of minors, but the drafting of such guidelines is under consideration.

Young Offenders

Mr. Livsey: To ask the Secretary of State for the Home Department how many offences were committed by children under the age of 16 years in England and Wales *(a)* in total and *(b)* as a percentage of the total number of crimes committed. [40124]

Mr. Michael: Information reported by the police on notifiable offences does not include details on the offenders themselves. However, some information on the number and proportion of offences committed by children under 16 is available from the British Crime Survey (BCS) and the Cautions and Court Proceedings databases.

The BCS information is given in table 1. The survey measures the extent of crime against adults and private households and gives victims' assessments of the age of offenders. For contact crimes—mugging and other violence—this will be fairly accurate. For other types of crime, the victim often cannot say anything at all about the culprit so the BCS findings will not be an accurate representation of the proportion of all domestic crime that is committed by children under the age of 16.

The information from the Cautions and Court Proceedings databases on cautions and convictions is given in table 2.

Table 1: Crime against adults and domestic property committed by school aged children (under 16)

Proportions (%)

	Contact crime against people aged 16 or over	*Theft*	*Vandalism*	*All BCS offences*
Proportion of BCS incidents in which victim could say anything about offender	99	24	36	43
Proportion of the above where victim said offender was of school age (under 16)[1]	10	21	55	21

[1] If more than one offender, at least one was of school age.

Notes:

Contact crime comprises: wounding, common assault, robbery and snatch theft.

Theft comprises: theft from the person, burglary, other household theft, thefts of and from vehicles—all including attempted thefts. Vandalism includes damage to vehicles and household property.

Source:

1996 British Crime Survey. Weighted data.

Table 2: Number and proportion of persons cautioned or convicted at all courts by age group and type of offence, 1996

England and Wales

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Type of offence	*Aged under 16*		*All ages*
	Number	*Percentage*	*[=100%]*
Indictable	68.1	14	489.9
Summary non-motoring	25.1	4	581.3
Summary motoring	1.1	0.2	640.6
Total	94.2	6	1,711.8

Source:

Cautions and Court Proceedings databases

Mr. Clappison: To ask the Secretary of State for the Home Department if references to imprisonment in section 9 of the Crime (Sentences) Act 1997 include *(a)* detention in a young offender institution and *(b)* detention and training. [40188]

Mr. Michael: In answer to *(a)*, for the purposes of section 9 of the Crime (Sentences) Act 1997, references to imprisonment do include detention in a young offender institution. By virtue of clause 97 of the Crime and Disorder Bill, currently before Parliament, which inserts a new section 9A in the Crime (Sentences) Act 1997, the crediting of remand time measures in section 9 of that Act will apply to sentences of detention in a young offender institution.

In answer to *(b)*, section 9 of the 1997 Act will not apply to sentences of detention under the new detention and training order. Instead, clause 70(6) of the Crime and Disorder Bill states that, in determining the term of a detention and training order for an offence, the court shall take account of any period for which the offender has been remanded in custody in connection with the offence, or any other offence the charge for which was founded on the same facts or evidence. The purpose of these different remand time arrangements in respect of the detention and training order is to ensure that a period of custody under the new order is sufficient to allow constructive

engagement with the young offender rather than the application of the section 9 direction, which might result in impractical very short periods in custody.

Mr. Clappison: To ask the Secretary of State for the Home Department how many young persons aged over 18 years and under 21 years were held in adult prison accommodation at the most recent available date. [40189]

Ms Quin: The latest available provisional information is for 31 March 1998. On that date, 1,150 males aged 18–20 years were held in adult prisons. All are normally accommodated separately from adult prisoners.

There are no separate young offender institutions for young women but they are held in designated accommodation operating under Young Offender Institution rules within adult establishments. On 31 March, there were 358 females aged 18–20 years in prisons in England and Wales.

Prisoners

Mr. Allan: To ask the Secretary of State for the Home Department how many prisoners completed *(a)* programmes accepted by his Department as being effective in reducing re-offending and *(b)* the sex offender treatment programme, in each of the last five years for which figures are available; and if he will make a statement. [40027]

Ms Quin: Since 1996, the Prison Service has been accrediting offending behaviour programmes where research evidence exists that such programmes are effective in reducing offending behaviour. The numbers prior to 1996 relate to programmes which were subsequently accredited.

Sex offender treatment programme (SOTP)

	Number
SOTP Core Programme	
1993–94	439
1994–95	554
1995–96	406
1996–97	564
1997–98	[1]533
SOTP Booster/Relapse Prevention	
1995–96	33
1996–97	116
1997–98	[1]138
Cognitive Skills Reasoning and Rehabilitation	
1993–94	63
1994–95	44
1995–96	115
1996–97	190
1997–87	[1]405
Enhanced Thinking Skills	
1993–94	46
1994–95	241
1995–96	631
1996–97	580
1997–98	[1]1,164

[1] Provisional figures

Mr. Allan: To ask the Secretary of State for the Home Department what is the average amount of time spent by *(a)* sentenced and *(b)* remand prisoners (i) in their cells, (ii) on education and other projects, (iii) working and (iv) on recreation; and if he will make a statement. [40076]

Ms Quin: The Prison Service does not monitor activity time or the time prisoners are unlocked by type of prisoner.

(i) The Prison Service monitors the time that is available for prisoners to spend out of their cell, based on normal prison routines, rather than actual time that prisoners spend in their cell. At the end of February 1998, the average amount of time that prisoners spent unlocked was 10.9 hours per day on weekdays and 9.7 hours per day at weekends.

(ii) In 1997–98, prisoners on average spent 4.2 hours per week in educational activity. This includes day-time and evening education, vocational, construction and industrial training.

(iii) In 1997–98, prisoners on average spent 13.2 hours per week engaged in work. This includes support to works and maintenance staff around the prison, workshops, farms, gardens, kitchen and other domestic work.

(iv) In 1997–98, prisoners on average spent 28.5 hours per week in recreation. Recreation covers time spent unlocked and able to participate in structured recreational or leisure activities, including mealtimes taken in association.

All data for 1997–98 are still provisional but are not expected to change significantly.

Mr. Allan: To ask the Secretary of State for the Home Department how many prisoners were released from Prison Service custody in each of the three most recent years for which figures are available. [40082]

Ms Quin: Information on the number of persons discharged from determinate sentences in England and Wales, 1995–97 is given in the table.

Year	*Number discharged from determinate sentences*[1]
1995	59,810
1996	63,650
1997[2]	68,500

[1] Excludes discharge following recall after release on Licence, non-criminals and fine defaulters.

[2] Provisional figures.

Information regarding the number of persons discharged from determinate sentences in 1995 and 1996 is published in successive volumes of "Prison statistics, England and Wales" (tables 3.14, 4.12 and 5.11 of the 1996 edition, Cm 3732), copies of which are in the Library.

Mr. Malcolm Bruce: To ask the Secretary of State for the Home Department what was the average amount of time spent by prisoners on *(a)* education, *(b)* vocational training, *(c)* Prison Service employment and *(d)* employment involving sale of products or services to the private sector in (i) 1995–96, (ii) 1996–97 and (iii) 1997–98; and if he will make a statement. [40220]

Ms Quin *[holding answer 30 April 1998]*: The total time spent by prisoners on education from the calendar year 1995 to date is detailed in table A.

Comparable statistics for vocational training are not available. There is a wide range of accredited vocational and educational courses at various levels available which range from Associated Examination Board Basic Skills Tests in English and Arithmetic, through Wordpower and Numberpower to GCSE and GNVQs, and there has been a significant rise in the number of prisoners taking them. There is also a wide range of training for work.

The total time spent by prisoners on the sale of products and services to the private sector in 1997–98 is 78,750 hours per week. Figures are not available for earlier years.

The average hours spent each week by prisoners on constructive activities are given in table B.

Table A
Education provision for prisoners 1995–1998

Year	Hours of student study	% reduction on previous year	Teaching hours bought	% reduction on previous year	Average class size
1995	9,413,457		1,245,580		7.56
1996	8,947,305	4.95	1,169,717	6.09	7.65
1997	8,879,747	0.75	1,119,589	4.28	8
1998 (to date)	2,177,464		283,962		7.6

Table B
Time spent by prisoners in constructive activity 1995/96–1997/98

Activity	1995–96	1996–97	1997–98
Works	14.3	13.5	13.2
Education	5.0	4.3	4.2
(of which vocational, construction and industrial training courses)	1.4	1.2	1.1

Mr. Malcolm Bruce: To ask the Secretary of State for the Home Department how many prisoners are presently employed on work which involves payments from the private sector for services or products provided; and if he will make a statement. [40219]

Ms Quin *[holding answer 30 April 1998]*: The total number of prisoners presently employed on work involving payment from the private sector is 3,334.

Prisons

Mr. Allan: To ask the Secretary of State for the Home Department what criteria the Prison Service uses to allocate resources to individual prisons. [40019]

Ms Quin: Operational Directors and their area managers determine the budgets for individual establishments within the overall budget for each operational directorate. Budget proposals are discussed with each governor on the basis of the establishment's proposed strategic plan. Criteria include: planned changes in prisoner numbers or types of prisoner; changes in property requirements, for example, on security or drug treatment; local pressures or factors; and the comparative efficiency of each establishment, as indicated by cost comparisons between prisons, which are produced centrally.

Mr. Allan: To ask the Secretary of State for the Home Department if he will publish the methodology used by his Department to compare the cost of public and private prisons; if he will publish details of the latest comparison; to what factors he attributes the differences in costs; and if he will make a statement. [40081]

Ms Quin: The methodology used to compare the cost of publicly and privately managed prisons was developed by Coopers & Lybrand for their Review of Comparative Costs and Performance of Privately and Publicly Operated Prisons (1996) and has been used in subsequent studies carried out by the Home Office. The latest study, by the Home Office Offenders and Corrections Unit, covered 1996–97. It showed that the cost difference had narrowed and the costs of privately managed prisons were 8 per cent. to 15 per cent. lower than the public sector. The report was published in December 1997 and copies placed in the Library.

The Prison Service carried out a separate study of the reasons for the cost difference which showed it was due primarily to lower average staff costs and fewer staff per prisoner in privately managed prisons. Contributory factors included lower salaries and pension costs, a longer working week, shorter holidays and lower levels of sick absence. Copies of this report have been placed in the Library.

Prison Service

Mr. Allan: To ask the Secretary of State for the Home Department if he will make a statement on the use of service level agreements by the Prison Service; and if he will give details of those service level agreements currently in operation. [40080]

Ms Quin: The one service level agreement in operation within the Prison Service is at Her Majesty's Prison Manchester. There has been a service level agreement between the Prison Service and the in-house management team since January 1994. The current agreement runs until 15 October 2001, with an option to extend until 6 March 2008.

The Prison Service Review, published in October 1997, recommended the more widespread use of service level agreements of the type used at Her Majesty's Prison Manchester. The Prison Service is now planning how such arrangements might be introduced into other directly managed prisons as a means of improving the level of service and value for money across the prison estate. Initially this would take the form of pilot schemes in 1999–2000.

Prison Population

Mr. Allan: To ask the Secretary of State for the Home Department what estimate he has made of the effect of

the provisions of the Crime and Disorder Bill [*Lords*] on the projected prison population statistics; and if he will make a statement. [40022]

Ms Quin: The Crime and Disorder Bill aims to reduce crime and disorder and to speed up justice. It provides for demanding new community penalties for young offenders and for drug-misusing offenders. As such, its overall effect should be to reduce the need for imprisonment. However, the legislation's impact on the prison population will largely depend on the independent sentencing decisions of the courts.

The Home Detention Curfew provisions will have a direct impact on the prison population.

If around half of the eligible prisoners are assessed as suitable this would result in around 4,000 prisoners being released under Home Detention Curfew at any one time and produce a reduction of around 3,000 in the estimated number of prison places required by the Prison Service.

Prisoners on Licence

Mr. Clappison: To ask the Secretary of State for the Home Department how many convictions have been recorded under section 38 of the Criminal Justice Act 1991 since the commencement of that Act. [40186]

Mr. Michael: Section 38 of the Criminal Justice Act 1991 deals with the breach of licences by short-term prisoners and states:

(1) A short-term prisoner—

(a) who is released on licence under Part II—Early Release of Prisoners; and

(b) who fails to comply with such conditions as may for the time being be specified in the licence, shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.

(2) The magistrates' court by which a person is convicted of an offence under subsection (1) above may, whether or not it passes any other sentence on him—

(a) suspend the licence for a period not exceeding six months; and

(b) order him to be recalled to prison for the period during which the licence is so suspended.

(3) On the suspension of the licence of any person under this section, he shall be liable to be detained in pursuance of his sentence and, if at large, shall be deemed to be unlawfully at large.

The information requested in given in the table.

Number of offenders convicted for an offence[2] under Section 38[3] of the Criminal Justice Act 1991, 1992–96.

England and Wales	*Convictions*
1992	9
1993	64
1994	216
1995	350
1996	490

[1] Convictions for principal and non-principal offences given.

[2] An Offence of "failure by short-term prisoner to comply with licence conditions".

[3] S38 of the Criminal Justice Act 1991 came into force on 1 October 1992.

Mr. Clappison: To ask the Secretary of State for the Home Department how many times the Parole Board has exercised its powers in relation to the release on licence of prisoners under section 37(5) of the Criminal Justice Act 1991. [40187]

Ms Quin: This information could be provided only at disproportionate cost.

Fine Defaulters

Mr. Allan: To ask the Secretary of State for the Home Department what has been the average cost to public funds of the imprisonment of fine defaulters in each of the last three years. [40020]

Ms Quin: The Prison Service does not calculate the cost of imprisonment by offence type. The average net operating cost per place in each of the last three years is:

1994–95: £23,900;

1995–96: £24,200; and

1996–97: £24,800.

Fire Safety

Mr. Fitzpatrick: To ask the Secretary of State for the Home Department what plans he has to introduce the proposed new fire safety legislation following the publication of the 1996 fire statistics; and if he will specify a timetable for its introduction. [40204]

Mr. George Howarth: The 1996 fire statistics reveal a worrying continuation of the upward trend in fires, deaths and casualties in the home. Most of these fires are accidental and should be prevented. That is why the Government and the fire service recognise the urgent need to refocus on fire prevention. We announced our new strategy to reverse the upward trend in domestic fires, deaths and injuries in reply to a Question from my hon. Friend the Member for Northampton, North (Ms Keeble), on 7 April 1998, *Official Report*, column *177*. We accepted, with the strong endorsement of the fire service, the recommendation of the Community Fire Safety Task Force that community fire safety should be made a statutory duty of the fire service. We are currently considering the precise terms and nature of such a duty.

In reply to a Question from my hon. Friend the Member for Nottingham, East (Mr. Heppell), on 8 April 1998, *Official Report*, column *254*, we also announced that we have decided to proceed with a thorough overhaul of fire safety legislation, although some difficult areas, such as houses in multiple occupation and licensed premises, require more detailed discussion. We will now work up the detail of the proposals in close co-operation with interested parties. Subject to clear evidence of the cost effectiveness of the proposals, we aim to legislate as soon as practicable.

Paul Magee

Mr. Greenway: To ask the Secretary of State for the Home Department (1) what conditions about early release have been agreed with the Irish Government in respect of the proposed transfer of Paul Magee, convicted in 1993 of the murder of Special Constable Glenn Goodman; [40332]

(2) if he intends to recommend to the Irish Government that Paul Magee, convicted in 1993 of the murder of a police officer, should serve a minimum term of imprisonment following his proposed transfer to a prison in Ireland. [40333]

Ms Quin: Agreement was given to Paul Magee's application for repatriation to the Republic of Ireland on the basis of undertakings from the Irish authorities that his sentence would continue to be enforced and that he could therefore normally expect to serve a period similar to that which he could expect to serve if he remained here. These undertakings are subject to the Northern Ireland political agreement reached on 10 April under which both the British and Irish Governments have undertaken to put in place mechanisms for the early release of qualifying prisoners.

Rural Policing

Mr. Andrew George: To ask the Secretary of State for the Home Department what factors are taken into account when determining the level of Government support grant for constabularies in remoter rural areas. [40598]

Mr. Michael: Under the police funding formula, 0.5 per cent. of available resources are allocated on the basis of population sparsity. I have recently commissioned external research into the additional costs, if any, of policing sparsely populated rural areas. The results of this research will be available to inform the police settlement in 2000/2001.

Prostitution

Helen Jones: To ask the Secretary of State for the Home Department what plans he has to increase the maximum sentence for causing or encouraging the prostitution of girls under the age of 16 years; and if he will make a statement. [39978]

Mr. Michael *[holding answer 29 April 1998]:* The maximum penalty for causing or encouraging the prostitution of girls under 16 is two years imprisonment. The Government are sympathetic to the case for increasing the maximum penalty for those who cause child prostitution, which needs to be considered in the context of the whole range of offences and penalties which deal with prostitution and related offences rather than in isolation.

Police

Mr. Andrew George: To ask the Secretary of State for the Home Department how many police officers per 1,000 population there were for each police force in each of the past five years. [40592]

Mr. Michael: The information is set out in the table.

The population figures are those provided by the Office for National Statistics. For 1997–98, the population figures used are the same as for 1996–97 (mid 1996) as mid 1997 population figures will not be available until later this year.

Police per 1,000 of population

Police Force	*1993–94*	*1994–95*	*1995–96*	*1996–97*	*1997–98*
Avon and Somerset	2.1	2.06	2.04	2.04	2.03
Bedfordshire	2.13	2.07	2.07	1.99	1.97
Cambridgeshire	1.85	1.84	1.78	1.85	1.84
Cheshire	1.96	1.98	2.04	2.09	2.07
Cleveland	2.55	2.57	2.54	2.61	2.65
City of London	227.6	169.5	167.3	165.8	161.4
Cumbria	2.40	2.38	2.27	2.33	2.37
Derbyshire	1.91	1.88	1.84	1.86	1.83
Devon & Cornwall	1.91	1.88	1.88	1.86	1.89
Dorset	1.94	1.91	1.86	1.88	1.88
Durham	2.28	2.23	2.31	2.4	2.43
Dyfed-Powys	2.05	2.06	2.09	2.11	2.11
Essex	1.97	1.95	1.92	1.96	1.94
Gloucestershire	2.13	2.12	2.05	2.04	1.99
Greater Manchester	2.7	2.73	2.69	2.69	2.68
Gwent	2.21	2.20	2.31	2.23	2.21
Hampshire	1.9	1.88	1.92	1.97	1.99
Hertfordshire	1.98	2.0	1.99	2.04	2.01
Humberside	2.31	2.28	2.3	2.31	2.29
Kent	2.04	2.02	2.01	2.09	2.13
Lancashire	2.23	2.26	2.22	2.28	2.3
Leicestershire	2.0	2.01	2.07	2.1	2.11
Lincolnshire	2.0	1.98	1.87	1.94	1.93
Merseyside	3.26	3.25	3.09	2.98	2.97
Metropolitan Police	3.73	3.69	3.65	3.53	3.49
Norfolk	1.89	1.82	1.81	1.84	1.85
North Wales	2.06	2.08	2.09	2.09	2.09
North Yorkshire	1.83	1.79	1.81	1.82	1.88
Northamptonshire	1.98	1.94	1.92	1.95	1.95
Northumbria	2.49	2.5	2.55	2.56	2.57
Nottinghamshire	2.26	2.25	2.25	2.25	2.25
South Wales	2.36	2.27	2.27	2.41	2.43
South Yorkshire	2.31	2.33	2.36	2.42	2.42
Staffordshire	2.1	2.12	2.09	2.09	2.11
Suffolk	1.87	1.83	1.73	1.78	1.81

Police per 1,000 of population

Police Force	*1993–94*	*1994–95*	*1995–96*	*1996–97*	*1997–98*
Surrey	2.17	2.17	2.12	2.09	2.07
Sussex	2.09	2.02	2.1	2.1	2.07
Thames Valley	1.95	1.91	1.79	1.79	1.79
Warwickshire	2.12	2.04	1.96	1.85	1.83
West Mercia	1.86	1.83	1.81	1.82	1.82
West Midlands	2.66	2.67	2.71	2.69	2.68
West Yorkshire	2.4	2.4	2.44	2.47	2.49
Wiltshire	2.17	2.15	2.06	1.95	1.97
Average	2.45	2.43	2.41	2.4	2.4

Note:
1. Police numbers used for 1997–98 are those for September 1997, the latest available.

Small Claims

Mr. Luff: To ask the Secretary of State for the Home Department if he will ask the Prison Service to make a report to him on the use by prisoners of small claims court procedures; and if he will make a statement. [40118]

Ms Quin: I refer the hon. Member to the replies I gave him on 20 April 1998, *Official Report*, columns *515–16*. I have asked Prison Service officials to give further consideration to the current arrangements for prisoners to use small claims court procedures and to advise on the need for any changes.

Probation Service

Mr. Viggers: To ask the Secretary of State for the Home Department what resources have been made available to the Probation Service in each of the last five years. [39499]

Ms Quin: The information requested is as follows:

£ million

	Current and capital probation grant and credit approvals to local authorities	*Capital expenditure probation and bail hostels*	*Current expenditure probation and bail hostels*
1993–94	308.1	3.1	26.2
1994–95	324.7	4.1	23.7
1995–96	338.4	3.0	26.0
1996–97	349.5	2.4	23.9
1997–98	346.5	3.1	24.8

Police IT Security Strategy

Mrs. May: To ask the Secretary of State for the Home Department how many of the police forces in England and Wales have an IT security strategy; and what action his Department is taking to encourage the development of such strategies. [40360]

Mr. Michael: It is the responsibility of individual chief officers to ensure that their forces maintain appropriate Information Technology (IT) security measures. Information is not held centrally to show whether all police forces in England and Wales have an IT security strategy. However, all forces have been issued with the Association of Chief Police Officers (ACPO) Code of Practice for Data Protection and the ACPO Data Protection Audit Manual. These establish procedures and safeguards to promote the maintenance of good practice and compliance with data protection legislation. A copy of the Code of Practice is already in the Library; I am also placing there a copy of the Audit Manual.

The Police Information Technology Organisation (a Home Office Non-Departmental Public Body since 1 April of this year) has separately issued to forces the Police National Computer (PNC) System Security Policy, Code of Connection. Police Information Technology Organisation is also working with the ACPO IT Committee to develop an overarching security policy to reflect the increasing need to exchange data between the police and other criminal justice agencies.

Finally, Her Majesty's Inspectorate of Constabulary reviews data protection management in forces as part of its regular inspections.

Norwich Prison

Dr. Gibson: To ask the Secretary of State for the Home Department what was the budget allocation per prisoner in Norwich prison in each of the years 1992 to 1998. [40250]

Ms Quin *[holding answer 30 April 1998]:* The information requested is given in the table.

Norwich prison 1992–93—1998–99

Year	*Total budget*	*Average population*	*Allocation per prisoner*
1992–93	9,701,346	464	20,908
1993–94	11,372,099	416	27,337
1994–95	12,034,122	391	30,778
1995–96	11,516,483	348	33,093
1996–97	12,061,866	490	24,616
1997–98	11,930,600	715	16,686
1998–99	11,939,030	707	16,887

Prisoners (Halal Meat)

Mr. Hancock: To ask the Secretary of State for the Home Department how many prisons provide halal meat for Muslim inmates. [40439]

Ms Quin: Halal meat is available via a central call off contract for all penal establishments to use as and when necessary. Of the 74 prisons currently purchasing from the call off contract, 43 are purchasing some halal meat.

Mr. Hancock: To ask the Secretary of State for the Home Department what proportion of halal meat provided in prisons was derived from animals which had been stunned before slaughter in the last year for which figures are available; and if he will make a statement. [40437]

Ms Quin: The information requested is not available.

Human Rights Protocol

Mr. David Heath: To ask the Secretary of State for the Home Department for what reason the United Kingdom has not ratified the Optional Protocol to the International Covenant on Civil and Political Rights enabling individual petition to the Human Rights Committee. [40364]

Mr. Mike O'Brien *[holding answer 30 April 1998]:* The Government announced on 3 July 1997 that they intended to review the United Kingdom's position under various international human rights instruments, including whether to accept the right of individuals to submit complaints to the United Nations Human Rights Committee under the Optional Protocol to the International Covenant on Civil and Political Rights. The review is in progress and the outcome will be announced when conclusions have been reached.

Mr. David Heath: To ask the Secretary of State for the Home Department for what reason the United Kingdom has not ratified Protocol 9 of the European Convention on Human Rights and Fundamental Freedoms. [40368]

Mr. Mike O'Brien *[holding answer 30 April 1998]:* Protocol 9 has been superseded by Protocol 11, which establishes the new permanent Court of Human Rights. The United Kingdom has ratified Protocol 11 and it will come into force on 1 November 1998.

UN Torture Convention

Mr. David Heath: To ask the Secretary of State for the Home Department for what reason the United Kingdom has not made a Declaration under Article 22 of the UN Convention against Torture enabling individual petition to the Committee under the terms of the Convention. [40367]

Mr. Mike O'Brien *[holding answer 30 April 1998]:* The Government announced on 3 July 1997 that we intend to review the United Kingdom's position under various international human rights instruments. This includes the right of individuals to submit complaints to the United Nations Committee Against Torture. The review is in progress and the outcome will be announced when conclusions have been reached.

Mr. David Heath: To ask the Secretary of State for the Home Department for what reason the United Kingdom has not made a Declaration under Article 21 of the UN Convention against Torture recognising the competence of the Committee to consider a complaint under the Convention against the United Kingdom from another state. [40366]

Mr. Mike O'Brien *[holding answer 30 April 1998]:* The United Kingdom made a Declaration under Article 21 of the United Nations Convention Against Torture upon ratification of the Convention on 8 December 1988.

Deportations

Mr. Corbyn: To ask the Secretary of State for the Home Department how many *(a)* decisions have been made to deport, *(b)* deportation orders have been signed and *(c)* deportation orders have been enforced against (i) British overseas citizens and (ii) other British nationals who are not British citizens in each year since 1990; to which countries it has been proposed to deport these people; and how many such people against whom deportation orders were made left the country voluntarily. [40395]

Mr. Mike O'Brien: The available information is given in the table. I regret that comprehensive information regarding the proposed removal destination for those persons under the deportation process is not available. No British Overseas citizens or other British nationals made a voluntarily or supervised departure during 1994–1997 following the making of deportation orders against them; the equivalent information relating to 1990–1993 is available only at disproportionate cost.

British nationals subject to deportation action, 1990–1997[1]

	1990	1991	1992	1993	1994	1995	1996	1997
British Overseas citizens								
Notice of intention to deport issued and court recommendations for deportation made	—	—	5	5	5	5	[3]—	5
Deportation orders made	—	—	—	—	[3]—	[3]—	[3]—	[3]—
Deportation orders enforced	—	—	—	—	—	[3]—	[3]—	—
Other British nationals[4]								
Notice of intention to deport issued and court recommendations for deportation made	70	70	105	70	70	65	50	35
Deportation orders made	10	10	15	5	20	25	15	[3]—
Deportation orders enforced	5	5	10	10	[2]40	10	10	5

[1] Figures rounded to the nearest 5.

[2] Revised figures.

[3] Denotes 1 or 2.

[4] British Dependent Territories citizens, British Nationals (Overseas), British subjects and British Protected Persons.

Immigration

Mr. Corbyn: To ask the Secretary of State for the Home Department how many people have been granted leave to remain in the United Kingdom outside the immigration rules due to compelling compassionate circumstances in each of the past five years; and when, and according to what criteria, they are expected to be granted indefinite leave to remain. [40404]

Mr. Mike O'Brien: I regret that information on this particular reason for granting leave to remain is not collected separately. Any further applications from persons who have been exceptionally granted leave to remain on compassionate grounds are considered in the light of the particular circumstances at that time and of any concessionary policy under which the original leave may have been given.

Mr. Corbyn: To ask the Secretary of State for the Home Department how many *(a)* British overseas citizens and *(b)* other British nationals who are subject to United Kingdom immigration controls have been refused leave to enter the United Kingdom by the Immigration Service at the port of entry in each year since 1995; how many of these people (i) were granted temporary admission and (ii) are still in the United Kingdom on temporary admission; and to which countries his Department proposes to send them. [40405]

Mr. Mike O'Brien: The available information is given in the table. I regret that information on the nationality of persons granted temporary admission is not available centrally and could be obtained only at disproportionate cost. Persons refused leave to enter the United Kingdom are removed to the country whence they embarked, or of which they are a national or citizen, or in which they have obtained a passport or other document of identity, or a country or territory to which there is reason to believe they will be admitted.

Passengers refused leave to enter and removed, 1995–97

Year	*British Overseas citizens*[1]	*Other British nationals*[2]
1995	123	39
1996	139	50
1997	121	40

[1] Comprises British Overseas citizens, British Dependent Territories citizens (BDTCs) where the territory is not recorded, British Protected Persons and British Subjects. Other BDTCs (excluding those from Hong Kong, see footnote 2) are not separately identifiable.

[2] Comprises British Dependent Territories citizens from Hong Kong and British Nationals (Overseas).

Note:

1997 data are provisional.

Montserrat

Mr. Corbyn: To ask the Secretary of State for the Home Department how many Montserratians have been admitted to the United Kingdom since the emergency to date; under what circumstances they will be asked to return to Montserrat; and, for those permitted to remain, when his Department will make them a grant of settlement. [40406]

Mr. Mike O'Brien: 3,543 Monserratians had been admitted to the United Kingdom as evacuees by the end of March. We have made clear that we would not expect evacuees to return in the current circumstances. We hope to make an announcement about their future immigration status shortly.

Sentencing Policy

Mr. Levitt: To ask the Secretary of State for the Home Department what discussions he has had since 1 May 1997 with the Association of Chief Officers of Probation on alternatives to custody; and if he will make a statement. [40820]

Ms Quin: Home Office Ministers have had a number of meetings with the Association of Chief Officers of Probation over the past year, in which we have discussed ways of improving the effectiveness and credibility of the current range of community sentences, the new sentences for which the Crime and Disorder Bill provides and the Association's suggestions for adding further sentencing options.

British Horseracing Board

Mr. Soames: To ask the Secretary of State for the Home Department if he will make a statement on the outcome of his latest meeting with the British Horseracing Board. [40539]

Mr. George Howarth: I refer the hon. Member to the reply I gave him on 7 April 1998, *Official Report*, column *176*. We will meet the British Horseracing Board at a mutually convenient time.

Full Sutton Prison

Mr. Soames: To ask the Secretary of State for the Home Department if he will make a statement on *(a)* the causes of and *(b)* the methods of dealing with the disturbances at Full Sutton Prison during the week of 25 April. [40541]

Ms Quin: At 6.20 pm on 26 April, 32 prisoners on D Wing of Full Sutton prison refused to return to their cells and instead barricaded themselves into the communal association room. Control and restraint trained staff from five other prisons were called to assist Full Sutton, and the police and other emergency services notified as a matter of routine. Despite the efforts of staff to open a dialogue, the prisoners refused to co-operate. At 11.27 pm, in the absence of any sign of the disturbance ending, and with evidence of damage being caused to the room, prison staff commenced an operation to regain control of the area. This was achieved successfully shortly thereafter.

Five staff sustained minor injuries during the incident; seven prisoners also received slight injury. All the prisoners involved have been transferred to other prisons. The police are conducting a criminal investigation into the matter, and charges under prison discipline rules have also been laid against all the prisoners concerned.

The Director General has appointed a senior governor from Prison Service headquarters to undertake an inquiry into the incident. Until this inquiry is complete, I am unable to comment on the possible causes of the disturbance. However, I will write to the hon. Member once I have considered the inquiry report.

Fines

Mr. Allan: To ask the Secretary of State for the Home Department what was the total sum raised by *(a)* court-imposed fines and *(b)* police-imposed fines, in each of the last five years for which figures are available; what was the total value of defaulted fines in each of the last five years; and what percentage of fine defaulters were imprisoned in each of the last five years. [40075]

Mr. Hoon: I have been asked to reply.

Details of the sums raised by court imposed fines and road traffic fixed penalties, in each of the last five years, are shown in the table. The total value of fines written off as irrecoverable is also shown, as is the level of arrears. Information on fine defaulters imprisoned is not available in the form requested and could be obtained only at disproportionate cost. Table 2 shows the number of fine defaulters imprisoned in each of the last five calender years.

Table 1: Fines

£ million

Year	*Fines*[1]	*Fixed Penalties*	*Fines Written-off*[3]	*Fine Arrears*[3]
1992–93	186.2	34.0	23.6	186.2
1993–94	142.6	79.7	32.6	212.9
1994–95	147.6	65.8	33.4	223.2
1995–96	150.4	60.8	29.6	240.1
1996–97	144.3	72.9	51.7	248.1
1997–98	[4]114.8	[5]52.4	[6]47.1	[7]269.4

[1] Includes road traffic fixed penalties enforced as fines.
[2] See note [1].
[3] See note [1]. Include sums payable by instalment where the payment is not yet due as well as sums subject to enforcement.
[4] To 31 December 1997.
[5] See note [4].
[6] Provisional full year figure.
[7] See note [4].

Table 2: Imprisoned fine defaulters[1]

Year	*Males*	*Females*	*Total*
1993	21,097	1,306	22,403
1994	21,015	1,454	22,469
1995	18,787	1,370	20,157
1996	8,094	461	8,555
1997	5,964	372	6,336

[1] Aged 18 and over.

SOCIAL SECURITY

Income Support (MIRAS Reduction)

Mr. Webb: To ask the Secretary of State for Social Security when homebuyers receiving income support will receive an increase in their assistance with mortgage interest to reflect the reduction in MIRAS implemented in April. [40226]

Mr. Keith Bradley: The administration of Income Support is a matter for Peter Mathison, the Chief Executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Steve Webb, dated 30 April 1998:

The Secretary of State has asked me to reply to your recent parliamentary question asking when homebuyers receiving Income Support (IS) will receive an increase in their assistance with mortgage interest to reflect the cut in Mortgage Interest Relief At Source (MIRAS) implemented in April.

MIRAS was reduced from 15% to 10% with effect from 6 April 1998. IS customers who receive assistance with their mortgages and are eligible for MIRAS automatically received an increase in their benefit from 6 April 1998, in line with the routine uprating of social security benefits.

I hope that this clarifies the situation.

Poverty (Children)

Mr. Webb: To ask the Secretary of State for Social Security (1) how many children are living in households whose income is below half the national average; and how many of these are aged *(a)* 0 to 4, *(b)* 5 to 10, *(c)* 11 to 16 and *(d)* 17 years or above in respect of (i) one and (ii) two parent families; [40486]

(2) how many benefit units containing dependent children are living in households whose income is below half the national average; and in what proportion of these is the youngest child aged *(a)* 0 to 4, *(b)* 5 to 10, *(c)* 11 to 16 and *(d)* 17 years or above in respect of (i) one and (ii) two parent families. [40487]

Mr. Keith Bradley: The information is set out in the tables.

Distribution of children in Great Britain in households whose income is below half the national average by age and family type

Thousand

	Before housing costs		*After housing costs*	
Age of child	*One parent family*	*Two parent family*	*One parent family*	*Two parent family*
0 to 4	190	500	460	710
5 to 10	370	720	640	900
11 to 16	290	620	460	740
17 or over	30	70	40	90
All children	870	1,920	1,590	2,430

There are an estimated 2.8 million and 4.0 million children in Great Britain living in households, including those headed by a self-employed person, whose income is below half the national average before and after housing costs respectively.

Proportion of benefit units containing children in Great Britain living in households whose income is below half the national average by age of youngest child and family type

Percentage

	Before housing costs		*After housing costs*	
Age of youngest child	*One parent family*	*Two parent family*	*One parent family*	*Two parent family*
0 to 4	37	42	45	46
5 to 10	41	34	37	32
11 to 16	20	22	17	19
17 or over	2	2	1	2
All benefit units (numbers)	420,000	850,000	840,000	1,110,000

There are an estimated 1.3 and 1.9 million benefit units containing children in Great Britain living in households, including those headed by a self-employed person, whose income is below half the national average before and after housing costs respectively.

Distribution of children in Great Britain living in households whose income is below half the national average by age and family type

Thousand

Age of child	Before housing costs		After housing costs	
	One parent family	*Two parent family*	*One parent family*	*Two parent family*
0 to 4	140	360	420	540
5 to 10	310	520	610	680
11 to 16	240	460	430	540
17 or over	30	50	30	50
All children	720	1,390	1,500	1,820

There are an estimated 2.1 and 3.3 million children in Great Britain living in households, excluding those headed by a self-employed person, whose income is below half the national average before and after housing costs respectively.

Proportion of benefit units containing children in Great Britain living in households whose income is below half the national average by age of youngest child and family type

Percentage

Age of youngest child	Before housing costs		After housing costs	
	One parent family	*Two parent family*	*One parent family*	*Two parent family*
0 to 4	35	44	45	49
5 to 10	43	34	37	32
11 to 16	20	20	17	17
17 or over	3	2	1	2
All benefit units (numbers)	340,000	590,000	790,000	810,000

There are an estimated 0.9 and 1.6 million benefit units containing children in Great Britain living in households, excluding those headed by a self-employed person, whose income is below half the national average before and after housing costs respectively.

Notes:

1. Figures are for 1995–96.
2. The data come from the Department's Households Below Average Income (HBAI) series, based on the Family Resources Survey (FRS) and covering Great Britain. All results are subject to sampling error, and numbers may not sum due to rounding.
3. Income definition is that used in the published series from FRS based Households Below Average Income (HBAI) data.
4. The reasons for using FRS based data are that time series information is not required and the FRS has a large enough sample to provide robust information.
5. The income measure used is weekly net (disposable) equivalised income. The figures are given both before and after housing costs in line with usual HBAI practice.
6. The income measures for the self-employed are inherently uncertain, particularly at the bottom of the income distribution. For this reason, results are presented both including and excluding the full-time self-employed. The latter excludes children in benefit units which contain one or more adults who normally work self-employed for 30 or more hours a week.
7. A child is defined as an individual aged under 16 or an unmarried 16 to 18 year old on a course up to and including 'A' level standard.
8. Numbers are given to the nearest 10,000 but because the figures come from a sample survey they are not accurate to this degree.

Invalid Care Allowance

Mr. Rowlands: To ask the Secretary of State for Social Security when the income limits for invalid care allowances were last revised; and what these limits would be if they had been revised in line with the rise in *(a)* earnings and *(b)* prices. [39444]

Mr. Denham: The current earnings limit of £50.00 for Invalid Care Allowance (ICA) was introduced on 12 April 1993. If this was revised it would be £59.85 if it had been uprated in line with the rise in earnings and £57.20 if uprated in line with the rise in prices.

The original earnings limit of £6.00 for ICA was introduced on 12 April 1976. This limit would be £37.25 if uprated by earnings and £26.40 if uprated by prices.

Notes:

1. The Retail Prices Index (All Items) and the Average Earnings Index (Whole Economy) as produced by the Office for National Statistics was used in these calculations.
2. Figures have been rounded to the nearest 5 pence at each uprating.
3. The rules on expenses which can be deducted from earnings changed in November 1996.

Disability Living Allowance

Mr. John M. Taylor: To ask the Secretary of State for Social Security (1) if the full membership of the Disability Living Allowance Advisory Board had access to the final amended report on the future of disability living allowance and attendance allowance before its publication on 12 March; [40760]

(2) on how many occasions and on what dates the full membership of the Disability Living Allowance Advisory Board discussed the report on the future of disability living allowance and attendance allowance before its publication on 12 March. [40759]

Mr. Denham: The Chairman of the Disability Living Allowance Advisory Board informs me that the full membership of the Board were sent a near final copy of the discussion paper "The Future of Disability Living Allowance and Attendance Allowance" on 23 September 1997. The final version of the paper was sent to members at the end of November 1997 and was discussed at one full board meeting held on 9 December 1997.

Mrs. Browning: To ask the Secretary of State for Social Security for what reasons her Department could not provide members of the Disability Benefits Consortium with copies of the reports *(a)* A Study of Disability Living Allowance and Attendance Allowance Awards, *(b)* First Findings from the 1996–97 Disability Follow-up to the Family Resources Survey and *(c)* the Disability Living Allowance Advisory Board discussion paper, the Future of Disability Living Allowance and Attendance Allowance, before her meeting with the Disability Benefits Consortium on 12 March. [39615]

Mr. Denham: The reports were published on 12 March and, following normal conventions, they were not distributed to outside bodies until Parliament had been informed. The Disability Benefits Consortium were meeting my right hon. Friend the Secretary of State during the afternoon of 12 March to discuss the Benefit Integrity Project. As a courtesy, they were given copies of the reports at the meeting and were advised that a seminar would be arranged to discuss them. The seminar took place on 27 March and the majority of the Disability Benefits Consortium attended.

Benefit Integrity Project

Mr. Swinney: To ask the Secretary of State for Social Security if all decisions under the Benefit Integrity Project involving a reduction or lowering of benefit before 9 February will be reviewed; and if she will make a statement. [40485]

Mr. Denham: On 9 February 1998, *Official Report*, column 76, my right hon. Friend the Secretary of State for Social Security introduced changes to the Benefit Integrity Project to ensure that no decision to reduce benefit would be taken without seeking additional evidence. We are concerned about those cases where a decision was taken without the benefit of the new procedure that was introduced on 9 February, and on which the claimant has not already sought a review of the decision.

We are considering options for reviewing those cases but there are some legal and operational issues that we need to resolve as speedily as possible before deciding exactly how to proceed. I will ensure that the House is properly and fully informed of progress.

Benefit Data

Mr. Rhodri Morgan: To ask the Secretary of State for Social Security what proposals she has to arrange full mutual disclosure of details of housing benefit and income support claims between the Benefits Agency and local authorities; and what consultations she has had with the Data Protection Registrar. [38568]

Mr. Keith Bradley: We have made clear in our Green Paper "A New Contract for Welfare" our intention to build an Active Modern Welfare service. As part of that, our strategy for the delivery of Social Security aims to provide integrated services to meet customers' needs, and to cut out duplication of work between different Departments, and between central and local government.

We are currently completing trials of an initiative to improve Local Authority access to Departmental benefit data, including Income Support data, through remote access computer terminals. These give Local Authority staff on-line access to Departmental benefit systems so that they can speedily obtain the information they require to administer Housing and Council Tax Benefits. We are now developing plans—in conjunction with local authority associates—to make these terminals available nationally.

For the longer term, we are exploring whether—and, if so, how—Local Authority Housing Benefit and Council Tax Benefit computer systems can be linked to the planned new generation of Departmental computer systems. The aim of such links would be to give both Local Authorities and the Department full access to all mutually relevant Social Security data.

In addition, we are exploring the possibility of using local authority Housing Benefit records to identify pensioners whose circumstances indicate a likely entitlement to Income Support. Once we have identified people, we will approach them to encourage a claim.

We are also investigating new ways of working with local authorities to improve service delivery to clients, and to reduce duplication of effort, between the Benefits Agency and local authorities, and unnecessary administration.

The Department has full regard to the requirements of data protection legislation in developing these initiatives, and consults the Registrar as appropriate.

Housing Benefit

Dr. Tonge: To ask the Secretary of State for Social Security (1) how many housing benefit claimants under the age of 25 have *(a)* applied for and *(b)* received hardship payments at the discretion of local authorities under the Housing Benefit Regulations, since the single room rent restrictions on housing benefit came into force; [39415]

(2) how many claims for exceptional hardship payments were made by housing benefit claimants; how many were paid by local authorities; and what was the average payment in the last year for which figures are available. [39413]

Mr. Keith Bradley: The information is not available in the format requested. Such information as is available is set out in the table.

Further information on the number of discretionary payments and the average payment will become available in June.

Housing benefit recipients in Great Britain assessed under the local reference rent (January 1996) scheme with an additional discretionary payment made

	Recipients
May 1996	920
August 1996	1,890
November 1996	2,840
February 1997	3,970

Notes:
1. Recipients may be a single person or a couple.
2. Number rounded to the nearest ten.

Source:
Housing Benefit Management Information System, caseload counts taken on the last working day in each quarter shown.

Dr. Tonge: To ask the Secretary of State for Social Security how many housing benefit claimants renting from private landlords had their claims restricted and what was the average amount of those restrictions under regulations in force in *(a)* 1995–96 and *(b)* 1996–97. [39414]

Mr. Keith Bradley: The information is not available in the form requested. Such information as is available is set out in the table.

Number of rent determinations made by rent officers, in England and Wales, in which a restriction on the rent was made for housing benefit purposes, and the average weekly amount of the restriction

	Number of restrictions to rent made by rent officers	*Average weekly amount of restriction (£)*
1995/96	431,000	16.15
1996/97	524,000	16.45

Notes:
1. Numbers of restrictions are rounded to the nearest 1,000 amounts to the nearest 5 pence.
2. Figures cover England and Wales only. Comparable information for Scotland is not currently available.

Sources:
1. Figures for 1995 taken from "Rent Officer Statistics" second, third and fourth quarters 1995.
2. Figures for 1996 and 1997 calculated from determinations supplied by the Rent Officer Service to the Department of the Environment, Transport and the Regions.

Dr. Tonge: To ask the Secretary of State for Social Security when she expects to announce the outcome of her review of the effects of the single room rent restriction on housing benefit claimants under the age of 25. [39411]

Mr. Keith Bradley: We are still gathering information from a variety of sources to gauge the impact of the single room rent restriction. In addition, we have commissioned, jointly with the Department of the Environment, Transport and Regions, a study on Housing Benefit and the private rented sector. We will decide the way forward once we have the findings from the study, which are expected in the summer, and sufficient information on the national impact of the changes.

Dr. Tonge: To ask the Secretary of State for Social Security how much housing benefit was paid to claimants who were tenants of private landlords in (i) 1989–90 and (ii) 1996–97 in *(a)* England and *(b)* Greater London. [39412]

Mr. Keith Bradley: The information is set out in the table.

Estimated housing benefit (rent allowance) expenditure

£ million

	England	*Greater London*
1989–90	1,162	311
1996–97	5,290	1,568

Source:
Departmental Reports and local authority returns to DSS

Delayed Payments

Dr. Tonge: To ask the Secretary of State for Social Security what assessment she has made of delays in social security payments due to poor performance of the computer system; and what steps she is taking to address the problem. [39482]

Mr. Keith Bradley: The Department continually monitors the performance of its computer systems to ensure any problems which may cause a delay in the issuing of Social Security payment are identified and remedied immediately.

The total number of payments made annually is in excess of 200 million. Once payments have been calculated, the small number of instances of late issue (less than 0.1 per cent.) can be attributed to human error rather than poor performance of the computer system. There is a continuous programme in place between the Department's Information Technology Services Agency and its Service Providers to increase the level of automation in payment production, thus eliminating the need for manual intervention.

Pensioners' Incomes

Mr. Webb: To ask the Secretary of State for Social Security if she will supply information on pensioner incomes based on the Households Below Average Incomes 1961–91 dataset, in response to questions from hon. Members for years for which the Pensioners Income series has not been constructed. [39576]

Mr. Denham: This Department does hold a copy of the Households Below Average Income 1961–91 dataset but, to date, it has not been used to analyse pensioners' incomes.

The dataset was created by researchers at the Institute for Fiscal Studies. It is usual Government Statistical Service practice only to use datasets created within Government departments or under the direction of Government analysts for answering questions which require fresh analyses.

Household Insurance

Mr. Wigley: To ask the Secretary of State for Social Security if the Government will introduce legislation to assist low-income families in buying household insurance. [39764]

Mr. Keith Bradley: There are no plans to do so. No separate amounts for specific items such as household insurance are included in Income Support rates. However, local authorities and housing associations can, with insurance companies, set up low-cost home contents insurance schemes for their tenants, and a number have done so.

Mr. Wigley: To ask the Secretary of State for Social Security what was the cost to the Social Fund of replacing possessions stolen from, or damaged in, low-income households with no household insurance, in the most recent year for which figures are available. [39765]

Mr. Denham: The information is not available in the format requested. However, the total amount paid from the Social Fund in 1997–98 by way of crisis loans to meet urgent need for the replacement of essential household items as a result of fire or flood damage was just under £236,000.

Correspondence

Mr. Kaufman: To ask the Secretary of State for Social Security when she will reply to the letters to her dated 6 January, 12 February and 18 March from the right hon. Member for Manchester, Gorton with regard to Mr. and Mrs. F. Fowler, 13 Meldreth Drive. [40875]

Mr. Field: A reply to these three letters was sent to the right hon. Member on 5 May.

Written Answers to Questions

Wednesday 6 May 1998

TREASURY

Self-assessment

Mr. Mitchell: To ask the Chancellor of the Exchequer what has been the impact on the public finances of *(a)* the introduction of self-assessment and the six month advance in payments by the self-employed and *(b)* the moving forward of corporation tax. [39561]

Dawn Primarolo: Self-assessment has not led to an advance in payment dates for the self-employed. The payment dates for the tax due for any year were previously the 1 January of that year and the 1 July immediately following. The position is much the same under self-assessment, with payments on account due on the 31 January and 31 July. The balance of the tax due for the year is then payable on the following 31 January. The overall effect on tax yield of self-assessment compared to the old system is very much a matter of speculation because of changes in taxpayer behaviour. However, it seems likely that the main behavioural effect of self-assessment has been to encourage taxpayers to bring their tax affairs up to date, and has led to some previously undeclared income being declared to the Inland Revenue.

The changes to payment arrangements for corporation tax will first take effect in 1999. The estimated revenue effects of the abolition of ACT and the introduction of quarterly payments of corporation tax are set out in Table C.1. and paragraph C.87 of The Financial Statement and Budget Report March 1998.

Duty Free

Mr. Gordon Prentice: To ask the Chancellor of the Exchequer if he will raise the issue of the proposed abolition of duty free sales at the meeting of Ecofin on 19 May. [39887]

Dawn Primarolo: There are no plans at present to raise this issue at the 19 May Ecofin. However, in the light of the comments made in the Transport Council on 17 March, consideration is currently being given to how best to progress the issue bearing in mind the heavy anticipated agendas of future Ecofin meetings and the fact that this matter was discussed over lunch in Ecofin as recently as 9 March where there was no enthusiasm for reopening the issue.

Mr. Gordon Prentice: To ask the Chancellor of the Exchequer what assessment he has made of the European Parliament's resolution on the abolition of duty free sales. [39886]

Dawn Primarolo: I have noted the European Parliament's resolution on the abolition of intra-EU duty free sales.

Tax Inspector's Estates

Mr. Burstow: To ask the Chancellor of the Exchequer what is the total value of H. M. Tax Inspector's Estates; and what percentage of the accommodation is not presently occupied. [40126]

Dawn Primarolo: The total value of the Inland Revenue's estate is £225 million. Some 2.7 per cent. of available space is vacant.

VAT (Building Repairs)

Miss McIntosh: To ask the Chancellor of the Exchequer for what reasons he has not applied to the EU for the discretion to apply a reduced rate of value-added tax for selected labour-intensive industries in respect of restoration and repairs of *(a)* churches and *(b)* historic buildings. [39872]

Dawn Primarolo *[holding answer 29 April 1998]:* There is currently no provision in the relevant EC legislation for an optional reduced rate for labour-intensive services. The European Commission has floated the idea of such an experimental reduced rate for a limited range of such services, which would not include restoration and churches or most historic buildings. Adoption of this proposal would require unanimity and Member States remain divided as to the merits of this initiative, so there is little prospect of it being pursued.

VAT (Musical Instruments)

Ms Walley: To ask the Chancellor of the Exchequer if he will introduce exemptions in respect of VAT for students in sixth form colleges when purchasing musical instruments. [40576]

Dawn Primarolo: Musical instruments when supplied by a VI form college to its own students for use in a course of instruction are outside the scope of VAT when provided at or below cost.

Customs (Green Channel)

Mr. Ben Chapman: To ask the Chancellor of the Exchequer what policies are applied by HM Customs when deciding which passengers to search in the green channel. [40430]

Dawn Primarolo: Passengers are searched only where Customs have reasonable grounds to suspect that they are carrying smuggled goods.

Electronic Purses

Mrs. May: To ask the Chancellor of the Exchequer what plans his Department has to review the legal definition of a bank deposit to reflect the current electronic purse developments. [40756]

Mrs. Liddell: None.

VAT (International Passenger Transport)

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if he will make a statement on the Government's policy on the zero-rating of value added tax on international passenger transport. [40379]

Dawn Primarolo *[holding answer 5 May 1998]:* It is the Government's policy to maintain the current zero rate on international passenger transport.

Financial Services (Regulation)

Mr. Caplin: To ask the Chancellor of the Exchequer if he will make a statement about the measures to be included in the proposed Bill reforming the regulation of financial services which are aimed at sustaining confidence in United Kingdom financial markets. [41214]

Mr. Darling: The financial markets play a pivotal role in ensuring the efficient allocation of resources within the economy. This is at the heart of growth and continued prosperity—resources going where they are best employed. It is vital that these markets are a fair and clean place to do business. The Financial Services Authority's (FSA) objectives will include sustaining confidence in the UK financial sector and markets and assisting in the detection and prevention of financial crime.

I intend that the new bill will equip the FSA with all the necessary powers to enable them to fulfil these objectives. As the Economic Secretary said in answer to a question by my hon. Friend on 7 April 1998, *Official Report*, columns *152–53*, the new legislation will enable the FSA to make rules binding on authorised firms for the protection of investors, depositors and policyholders. The FSA will also be able to make rules requiring firms to have appropriate anti-money laundering systems and controls in place. Breach of these rules will potentially trigger an array of intervention and disciplinary actions among which will be a power to levy fines on regulated institutions.

The new legislation on which we plan to consult in the Summer will also greatly enhance the FSA's ability to combat market abuse. I intend to introduce a new civil fines regime which will allow the FSA to impose fines on any person or firm, whether part of the regulated community or not, who engages in market abuse, for example market manipulation or misuse of privileged information. The intention is to deter abusive behaviour which undermines confidence in the UK financial markets and which, if unchecked, would ultimately damage the integrity of those markets. The legislation will give the Treasury the power to prescribe markets, and instruments traded on those markets, to be covered by the new regime. We are planning to consult on the basis that the initial coverage will be abuse, on or off-market, which affects investments traded on recognised investment exchanges.

The legislation providing for the new civil fines regime will also require the FSA to produce a Code of Market Conduct to supplement the basic provisions defining the abuses. The aim of this Code, which the Courts and Appeals Tribunal will have to have regard to, is to give guidance in general terms to market participants as to what kinds of behaviour are likely to be acceptable and what unacceptable. The FSA will be consulting on a draft of this Code shortly.

This new regime will complement, not replace, the existing criminal offences of market manipulation and insider dealing. Where criminal offences have been committed, criminal proceedings, as now, will be the appropriate course to take. As the FSA will have the relevant knowledge and expertise, I intend that the bill will allow the FSA to take criminal prosecutions of insider dealing and market manipulation offences itself. The DTI, SFO and CPS will retain concurrent powers. The FSA will also be able to prosecute criminal breaches of the Money Laundering Regulations.

It is right to provide the regulator with an effective array of sanctions, but these must be balanced by a satisfactory appeals mechanism. We are proposing to create a new single tribunal to consider appeals against the FSA's exercise of its regulatory powers. The tribunal will be entirely independent of the FSA, and will be managed as part of the Court Service.

I also intend to improve the range of sanctions available to the Competent Authority for listing (currently the London Stock Exchange) to deal with breaches of the listing rules by those admitted to the Official List. The bill will therefore give the Competent Authority the power to impose fines for breaches of the listing rules by issuers or by directors.

In addition, I propose to make a number of changes to improve the regulatory regime for investment exchanges and clearing houses. The UK has a wide range of respected and internationally competitive recognised investment exchanges and clearing houses which have played a large part in ensuring that the UK markets are, and are perceived to be, fair and well-regulated.

I intend that the draft legislation to be published for consultation in the Summer will build on the existing exemption regime under which investment exchanges and clearing houses will fulfil certain regulatory criteria can be recognised by the FSA and be exempted from the need to be authorised. The new Bill will incorporate improvements to this regime. These will include a power for the FSA to issue directions to recognised investment exchanges and clearing houses to take necessary steps to meet the recognition criteria. Recognised investment exchanges and clearing houses will also be given immunity from suit by their members for regulatory actions.

Taken together with the other changes to be introduced in the new bill, these measures will further enhance the UK's position as one of the best-regulated, and thus most attractive, financial markets in the world.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Waste Imports

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what quantities of waste have been imported for disposal, broken down by type, and origin, for each year since 1983. [39972]

Angela Eagle *[holding answer 29 April 1998]:* Information relating to transnational shipments of waste into and out of England and Wales is collected on behalf of my Department and the Welsh Office by the Environment Agency. Information on such shipments into and out of Scotland and Northern Ireland is collected annually by my Department from the Scottish Environment Protection Agency and the Environment and Heritage Service respectively.

The tables show the statistics that are available on the quantities of waste imported into the United Kingdom for disposal, broken down by type and by origin, since 1989–90. Figures from the calendar year 1994 onwards are not comparable with those for previous years because of a change in the regulations governing the supervision and control of transnational shipments of waste. Under the previous regulations, only hazardous waste needed to be notified, whereas all wastes shipped are now notifiable under the new regulations. The information relating to the calendar year 1994 relates only to the period after 6 May 1994 when the new regulations came into effect.

Amounts imported (tonnes) for disposal by country of origin in England and Wales from 1989–90 to 1993–94

	Amount imported (tonnes) for disposal in England and Wales					
Country of origin	*1989–90*	*1990–91*	*1991–92*	*1992–93*	*1993–94*	*Total imported for disposal*
Ireland	1,706	3,986	3,377	2,860	10,806	22,735
Luxembourg	0	0	0	0	6,494	6,494
Germany	886	1,010	3,010	9,354	32,645	46,905
Italy	1,653	3,583	3,629	2,826	2,495	14,186
Portugal	0	1,185	0	0	573	1,758
Spain	0	1,194	887	1,381	1,300	4,762
Netherlands	10,068	3,949	5,357	5,701	8,088	33,163
Brazil	0	0	0	0	277	277
Belgium	5,257	9,420	10,972	9,658	1,055	36,362
Denmark	0	0	0	0	157	157
France	0	0	0	0	344	344
Switzerland	5,234	13,741	13,944	8,334	710	41,963
Austria	0	2,912	3,111	2,823	107	8,953
Sweden	1,241	1,595	613	818	263	4,530
USA	4,037	0	0	0	0	4,037
Other	1,836	1,762	2,004	2,148	1,155	8,905
Total	31,918	44,335	46,903	45,904	66,468	—

Amount imported (tonnes) for disposal by country of origin in the United Kingdom from 1994 to 1996

	Amount imported (tonnes) for disposal in the United Kingdom			
Country of origin	*1994*[1]	*1995*[1,2]	*1996*[1]	*Total imported for disposal*
Ireland	9,070	7,141	17,458	33,669
Luxembourg	1,635	4,054	5,457	11,145
Germany	9,511	656	321	10,488
Italy	2,873	708	1,775	5,356
Portugal	398	518	2,115	3,031
Spain	395	400	1,466	2,262
Netherlands	1,334	60	431	1,824
Brazil	337	45	0	382
Belgium	209	144	15	367
Denmark	226	114	0	339
France	65	85	72	222
Switzerland	0	0	0	0
Austria	0	0	0	0
Sweden	0	0	0	0
USA	0	0	0	0
Other	703	90	469	1,262
Total	26,756	14,014	29,579	—

[1] No imports were received in Scotland for disposal
[2] No data for Northern Ireland are available

Amount imported (tonnes) for disposal by waste type: 1989/90–1993/94

Type of waste	*1989/90*	*1990/91*	*1991/92*	*1992/93*	*1993/94*
Inorganic and organic acids	53	10	1,317	1,047	210
Alkalis	454	2,939	1,506	120	1,362
Toxic metal compounds	800	185	685	120	192
Non-toxic metal compounds	167	0	164	0	0
Metals (elemental) and metal oxides	5,457	0	0	122	201
Inorganic compounds	589	758	674	459	1,936
Other inorganic materials	5,141	0	12,687	10,780	9,660
Organic compounds (excluding PCBs)	2,191	8,936	7,595	5,052	2,244
PCBs/PCB contaminated waste	3,246	3,928	3,196	4,781	3,744
Polymeric materials and precursors	168	490	296	843	2,450
Fuels, oils and greases	411	885	29	4,495	18,700
Fine chemicals and biocides	716	1,361	2,410	3,534	3,648
Miscellaneous chemical waste	1,475	406	1,874	777	3,096

Amount imported (tonnes) for disposal by waste type: 1989/90–1993/94

Type of waste	*1989/90*	*1990/91*	*1991/92*	*1992/93*	*1993/94*
Filter materials, sludge and rubbish	4,027	6,086	7,904	8,892	5,934
Interceptor wastes, paints, tars, pigments	3,355	1,318	2,867	1,213	2,173
Miscellaneous wastes	3,589	16,992	3,218	3,230	10,916
Animal food wastes	81	43	0	0	0
Hospital and similar wastes	0	0	481	439	0
Total for England and Wales	31,918	44,335	46,903	45,904	66,468
Scotland	0	182	17	164	40
Northern Ireland	0	0	0	950	1,485
United Kingdom	31,918	44,517	46,920	47,018	67,993

Amount imported (tonnes) for disposal by waste type: 1994–1996

	1994[1]	*1995*[1,2]	*1996*[1]
Wastes consisting of, or contaminated with:			
Health care wastes	227	196	536
Fine chemicals and biocides	8,688	5,966	11,353
Organic solvents, including halogenated organic solvents	586	1,007	1,458
Inorganic and organic cyanides	320	0	0
Mineral oils, oil/water and hydrocarbon/water mixtures	506	30	231
PCBs and PCB contaminated items	1,767	627	1,991
Tarry residues from refining, distillation and pyrolitic treatment	150	21	0
Inks, paint, dyes and pigments	338	496	1,149
Polymeric materials and precursors	255	70	608
Photographic chemicals and materials	0	0	0
Wastes from the treatment of metals and plastics	27	81	219
Residues from industrial waste disposal	583	928	3,981
Heavy metals and their compounds	100	153	1,429
Arsenic and antimony and their compounds	0	0	8
Inorganic fluorine compounds	737	0	0
Acids and bases in solid form or solution	793	66	19
Phenols, Ethers and Organohalons not elsewhere specified	164	41	73
Wastes collected from households	245	0	0
Residues from incineration of household waste	1,579	3,013	6,513
Unclassified	9,693	1,319	11
Total for United Kingdom	26,756	14,014	29,579

[1] No imports were received in Scotland for disposal
[2] No data for Northern Ireland are available

Housing (Disabled Access)

Angela Smith: To ask the Secretary of State for the Environment, Transport and the Regions if he will require local authorities to use a proportion of their capital receipts to renovate and refurbish existing housing stock to accessible standards. [40337]

Mr. Raynsford: We have given local authorities flexibility to apply the additional resources made available under the Capital Receipts Initiative to meet local priorities for investment in housing and housing related regeneration. The works they undertake may include improving accessibility as part of renovations and refurbishments of existing stock where that is a local priority.

Hospital Closures

Mr. Gill: To ask the Secretary of State for the Environment, Transport and the Regions what discussions his Department conducts with the Department of Health concerning the impact on traffic levels of the closure of local hospital facilities. [40475]

Ms Glenda Jackson: The Department is in regular contact with the Department of Health on policy issues which have a possible impact on transport, including traffic levels. These issues are currently being considered in the development of the Integrated Transport White Paper which will be published later this year. The town planning and transport aspects of local hospital facility closures is primarily a matter for the relevant NHS Trust and the local authority.

Disposable Nappies

Mr. Sheerman: To ask the Secretary of State for the Environment, Transport and the Regions what life-cycle analysis his Department has carried out on disposable nappies. [40601]

Angela Eagle: My Department has not carried out any life cycle analysis on disposable nappies. The Environment Agency are aware of a number of inconclusive studies comparing the merits of disposable and non-disposable nappies. They are developing computer software to enable industry to conduct life cycle analyses for individual waste streams, and will be encouraging industry to use it.

Guidance on the handling of disposable nappies will be set out in a revised version of the Health and Safety Advisory Commission document, entitled "Safe Disposal of Clinical Waste", which is due to be published later this year.

Female Sanitary Products

Mr. Sheerman: To ask the Secretary of State for the Environment, Transport and the Regions what life-cycle analysis has been carried out on female sanitary products. [40602]

Angela Eagle: I am not aware of any life-cycle analysis having been carried out on these products. Guidance on the handling of sanitary products will be set out in a revised version of the Health and Safety Commission document, entitled "Safe Disposal of Clinical Waste", which is due to be published later this year.

Development in Sequence

Mr. Wills: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to ensure that development in sequence is made an integral part of the planning process. [40436]

Mr. Raynsford: Development in sequence, the process by which development proceeds to an orderly timetable, has been an integral part of the planning system for many years. Local authorities are required to draw up development plans for their areas which establish a framework for future development.

Our document "Planning for the Communities of the Future" indicated that we will consult on the development of a sequential approach to selecting locations for new housing.

Genetically Modified Potatoes

Dr. Gibson: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to allow the introduction of genetically manipulated potatoes into the United Kingdom; and which modifications will be permitted. [40418]

Angela Eagle: No applications have been made to place genetically modified potatoes on the market or grow them commercially. Twenty-two approvals have been granted for research trials to grow genetically modified potatoes. The genetic modifications made to the potatoes have included altered sugar and starch metabolism, nematode and virus resistance and selectable marker genes used in the genetic modification process.

Mobile Homes

Jackie Ballard: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 3 July 1997, *Official Report*, column *243*, when he expects his Department's review of issues relating to mobile homes to be concluded; and if he will make a statement. [40575]

Mr. Raynsford *[holding answer 5 May 1998]:* As part of our review, we are setting up a working party comprising representatives from national residents' groups, the two main trade associations, local authorities and officials from my Department. The first meeting of the working party will take place later this month. Once it has agreed its terms of reference and programme of work, we will have a clearer idea of the timetable for competing our review.

London Government

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the *(a)* transitional and *(b)* future costs of the London Mayor and Assembly; and what savings or additional costs will be incurred in comparison with the cost of quangos and central Government responsibilities the London Mayor and Assembly will be replacing. [40858]

Mr. Raynsford: We have estimated that the Government may need to spent up to £20 million on preparing for the GLA. We have also estimated that the Mayor and Assembly and new central GLA services would cost around £20 million a year. We expect this cost to be offset over time through savings in the Government Office for London, other Government Departments, and the London Boroughs from eliminating wasteful duplication and conflicting activities across London, and efficiencies within the GLA and the bodies and authorities which will come within its remit.

Coastguard Watch Officers

Mr. Alan Campbell: To ask the Secretary of State for the Environment, Transport and the Regions how many watch officers are currently employed at Forth and Tyne-Tees coastguard stations. [40902]

Ms Glenda Jackson: There are currently 17 watch-keeping Officers employed at both Forth Coastguard Maritime Rescue Sub-Centre and Tyne Tees Maritime Rescue Sub-Centre. The grades included in these totals include: Watch Managers, Senior Watch Officers, Watch Officers and Watch Assistants.

Air Traffic Control

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions when he will reply to the Fourth report of the Environment, Transport and Regional Affairs Committee, Session 1997–98, on Air Traffic Control. [40643]

Ms Glenda Jackson: We hope to respond quickly to the report on air traffic control and we expect to do so within the usual two-month period for responses to Select Committee reports.

Public Bodies

Mr. Cox: To ask the Secretary of State for the Environment, Transport and the Regions what action he plans to take to include representatives of people from ethnic minority communities on public bodies covering the Greater London area. [40911]

Mr. Raynsford: The Government are committed to providing equality of opportunity to all members of our society. Ethnic minorities occupy some 3.6% of the appointments to the boards of public bodies many of which are based in London. Appointments to these bodies are made in accordance with the guidance issued by the Commissioner for Public Appointments. This emphasises appointments on merit using fair selection procedures. But it is equally clear that ethnic minorities are not applying for these posts in sufficient numbers. To redress this as part of a general awareness-raising exercise, the Government Office for London recently wrote out to all the Single Regeneration Budget funded partnerships

operating in London to invite them to put forward names to the Cabinet Office's Public Appointments Unit and to respond to individual departmental trawls as vacancies arise. The PAU Register currently carries some 5,500 names, of which around 6% are of ethnic minorities.

Mr. Öpik: To ask the Secretary of State for the Environment, Transport and the Regions how many and what proportion of his Department's appointees to non-departmental public bodies are (i) aged under 25, (ii) aged 25 to 30 and (iii) aged 31 to 35 years. [40747]

Angela Eagle: No central record is maintained of the age of current appointees to non-departmental bodies sponsored by my Department. I regret, therefore, that the information cannot be provided in the form requested.

The Government are committed to encouraging a wide range of candidates to apply for positions on the boards of public bodies, reflecting the diverse society in which we live. This includes encouraging more young people to put themselves forward as potential candidates for public appointments. All appointments are made on merit, and candidates must demonstrate that they have the necessary skills and experience to match the needs of the public body on which they wish to serve.

West Midlands Regional Chamber

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received from organisations in the West Midlands in support of a voluntary regional chamber in the region. [40229]

Angela Eagle: The Department has received a number of representations about a regional chamber in the West Midlands following publication of the Government's White Paper "Building Partnership for Prosperity" in December last year. The West Midlands Local Government Association has now produced a consultation paper on a regional chamber and is currently seeking the views of regional organisations. I look forward to receiving a final proposal later this year.

Disabled People (Housing)

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions what measures he is taking to improve the accessibility of new-built private sector homes for people with disabilities. [40231]

Mr. Raynsford: I refer my hon. Friend to the answer I gave to my hon. Friend the Member for Basildon (Angela Smith) on 9 March 1998, *Official Report*, columns *11–12*.

Regional Airports

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions if he will introduce fiscal discrimination to encourage the development of regional airports. [40232]

Ms Glenda Jackson: We have no plans to do so.

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to encourage the scope for more flexible public-private partnerships to facilitate greater investment at those regional airports owned by local authorities. [40233]

Ms Glenda Jackson: We have recently published a consultation document on local government capital finance. Chapter 8 discusses the private finance initiative and public/private partnerships. We will welcome views on our approach to the longer term development of the private finance initiative and the wider role of partnerships for local authorities, including local authority airports.

Small Commercial Vessels

Mr. Maclennan: To ask the Secretary of State for the Environment, Transport and the Regions (1) which certifying authorities operating under his authority to ensure compliance with the Code of Practice for the Safety of Small Commercial Motor Vessels through the survey and certification of vessels operate in the North of Scotland; [40856]

(2) what qualifications are required for approval as a certifying authority authorised to undertake survey and certification of vessels for compliance with the Code of Practice for the Safety of Small Commercial Motor Vessels. [40857]

Ms Glenda Jackson: There are 11 Certifying Authorities (CA), in addition to the MCA, with the authority to survey and certificate vessels for compliance with the Code of Practice (see Annex A). These authorities cover the UK and are not exclusive to the North of Scotland.

The CAs must be able to demonstrate that they:

- have relevant maritime expertise
- have an accountable management system
- have put into place suitable policy procedures for survey and certification
- can satisfy periodic auditing of quality control procedures by MCA staff
- permit staff only to be involved in aspects of the work in which they have recent and relevant experience
- have adequate liability cover

Codes of Practice for small Commercial Motor and Sailing vessels: list of certifying authorities.

American Bureau of Shipping
ABS House
1 Frying Pan Alley
London
E1 7HR
Telephone number: 0171 247 3255
Fax number: 0171 247 4084
Contact: Survey Manager

Det Norske Veritas
Palace House
3 Cathedral Street
London
SE1 9DE
Telephone number: 0171 357 6080
Fax number: 0171 407 1245
Contact: Ship Department. Manager

Lloyd's Register of Shipping
100 Leadenhall Street
London
EC3A 3BP
Telephone number: 0171 709 9166 Ext. 2694
Fax number: 0171 488 4796
Contact: Mr. C. M. Magill
Construction Services Department

Royal Yachting Association
RYA House
Romsey Road
Eastleigh
S05 4YA
Telephone number: 01703 627400
Fax number: 01703 629924
Contact: Mr. W. Anderson

Bureau Veritas
Capital House
42 Weston Street
London
SE1 3QL
Telephone number: 0171 403 6266
Fax number: 0171 403 1590
Contact: Mr. F. Hardy/T. Brooks

Germanischer Lloyd
UK Branch
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Burness Corlett and Patners Ltd.
Beresford House
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Telephone number: 01703 339449
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Contact: Mr. John Barker

Department of the Environment, Transport and Regions
Marine Safety Agency
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Telephone number: 01703 329150
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Marine Engineers Certifying Authority Ltd.
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Registro Italiano Navale (Rina)
14 Waterloo Place
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Fax number: 0171 930 2950
Contact: Mr. G. Poerio.

Cryptosporidium

Mr. Clapham: To ask the Secretary of State for the Environment, Transport and the Regions if he has completed his review of the implications of the failed prosecution of South West Water in relation to the outbreak of cryptosporidium in the Torbay area in 1995; and if he will make a statement. [41216]

Mr. Meacher: I have concluded that there is a case for increased monitoring at water treatment plants that are most at risk of releasing Cryptosporidium into drinking water supplies. I propose therefore to begin consultations on amendments to the Regulations on drinking water quality to require continuous monitoring of the treated water to detect Cryptosporidium at such plants. If this monitoring detects the presence of the organism at an unacceptable level, the Drinking Water Inspectorate will consider prosecution of the company. There would be a new criminal offence of failing to treat water to adequately remove Cryptosporidium oocysts. On conviction in a Crown Court, the offence would carry a penalty of an unlimited fine. The intention is to encourage the operation of water treatment plants in line with best practice, which should prevent Cryptosporidium in drinking water causing illness. I have arranged for a copy of the consultation paper on my proposals to be placed in the Library of the House.

HOME DEPARTMENT

Parliamentary Elections (Priests)

Mr. Mackinlay: To ask the Secretary of State for the Home Department if he will introduce legislation to remove the prohibition on Church of England and Roman Catholic priests standing for election to Parliament. [40246]

Mr. Mike O'Brien: We have no plans to do so and have had no request from the Churches to do so.

Visitors' Leave to Enter

Fiona Mactaggart: To ask the Secretary of State for the Home Department how many *(a)* Malaysians, *(b)* Jamaicans, *(c)* Barbadians, *(d)* Zimbabweans, *(e)* Ghanians, *(f)* Bangledeshis, *(g)* Indians, *(h)* Pakistanis, *(i)* Russians, *(j)* Poles, *(k)* United States citizens and *(l)* Canadians were (i) granted leave to enter the United Kingdom as visitors and (ii) refused leave to enter the United Kingdom in 1997 to the latest available date. [40307]

Mr. Mike O'Brien: Data for the whole of 1997 are given in the table.

Nationality	*Passengers granted leave to enter as visitors*[1]	*Passengers refused leave to enter and removed*
Malaysia	115,000	389
Jamaica	19,300	922
Barbados	5,180	37
Zimbabwe	17,600	289
Ghana	22,300	285
Bangladesh	12,700	105
India	197,000	379
Pakistan	67,600	515
Russia	89,700	191
Poland	175,000	3,976
USA	2,830,000	1,019
Canada	475,000	331

[1] Rounded to three significant figures.

Parc Prison

Mr. Alan Williams: To ask the Secretary of State for the Home Department on how many occasions since it opened, and on what dates, Parc Prison, Bridgend, has called upon neighbouring prisons for help with disturbances; which prisons responded sending how many prison officers and at what cost; and on how many occasions Parc Prison has reciprocated. [40390]

Ms Quin: Parc prison has requested assistance from neighbouring prisons for help with disturbances on two occasions since it opened on 17 November 1997. On both occasions, a total of 43 staff were provided by other establishments. On 20 February, 14 staff from Swansea, 14 from Cardiff and 15 from Usk attended at a total cost of £1,788. On 18 April, 14 staff from Cardiff, 14 from Swansea and 15 from Bristol provided assistance at a total cost of £1,806.

There has been no request to date for Parc to reciprocate under these mutual aid arrangements.

Custodial Sentences

Mr. Clappison: To ask the Secretary of State for the Home Department what reviews his Department has carried out of the maximum sentence of custody which can be imposed by (i) a magistrates' court and (ii) a youth court. [40185]

Mr. Michael: The Magistrates' Association has proposed a change in the sentencing powers of magistrates' courts to allow them to impose up to 12 months' imprisonment, instead of the current six months' maximum. We are considering whether there are some circumstances in which such a change might be appropriate, but any change of this type would need very careful consideration of its effect on the prison population and on the rest of the criminal justice system.

We have set out our proposals for imposing custody on juveniles in Chapter 6 of the White Paper 'No More Excuses—A New Approach to Tackling Youth Crime in England and Wales' published in November last year. We intend to replace the existing custodial sentences of Detention in a Young Offenders Institution (15–17 year olds) and the Secure Training Order with a new Detention and Training Order. The Detention and Training Order will be available to all criminal courts on a similar basis and sentences of up to two years will be possible; half the term of the Order will normally be spent in custody while the remainder will be spent in the community under supervision. The Detention and Training Order is being introduced in the Crime and Disorder Bill.

Immigration Tribunals

Mr. Fitzpatrick: To ask the Secretary of State for the Home Department what discretion exists to allow new information to be considered by the appeal tribunal in immigration cases. [40205]

Mr. Mike O'Brien: In immigration appeals, the appellate authorities may take into account only those facts which were in existence at the time the decision was taken or which could have reasonably been expected to happen. In asylum appeals, the appellate authorities may take into account any facts in existence at the time of the hearing of the appeal.

Mr. Fitzpatrick: To ask the Secretary of State for the Home Department what is the average length of time between the original request for leave to remain in the United Kingdom and the appeal stage in immigration cases. [40201]

Mr. Mike O'Brien: The available information is that, for non-asylum immigration cases decided in 1997, the average length of time between the request for leave to remain in the United Kingdom and being refused in which there was a right of appeal was 246 days. To this is added the time taken to lodge an appeal, which is a maximum of 14 days.

Domestic Violence

Ms Shipley: To ask the Secretary of State for the Home Department, pursuant to his answer of 8 April 1998, *Official Report*, column 259, if his Department will assess the advantages of recording separately court proceedings relating to domestic violence. [40577]

Mr. Michael: As part of developing our strategy on domestic violence, we have been looking at how best to define domestic violence, whether it is possible to collect statistics in a form which would be more helpful in

illustrating its prevalence and nature, and how any such statistics might be collected and recorded. In the meantime, statistics on court proceedings will continue to be based on the specific offence in respect of which proceedings were brought, rather than the context in which that offence was committed.

Victim Support

Mr. Gareth Thomas: To ask the Secretary of State for the Home Department if he will make a statement on the funding of victim support schemes in North Wales. [40532]

Mr. Michael: Home Office grant to local victim support schemes and witness services is allocated by Victim Support's Local Funding Panel. The Panel is a sub-committee of Victim Support's National Council and is independent of local groups. It considers applications from local schemes and witness services in accordance with grant criteria, agreed annually between Victim Support and the Home Office.

In 1996–97 (the last year for which full figures are available), the Home Office provided a grant of £11.7 million to Victim Support. Some £10.4 million of this was channelled to local schemes and witness services via the Local Funding Panel. The North Wales Victim Support Scheme received a grant of £41,208.

Benzodiazepines

Audrey Wise: To ask the Secretary of State for the Home Department how many prescriptions for benzodiazepine drugs were issued by the Prison Medical Service in 1996. [40455]

Mr. George Howarth: The information sought could be obtained only at disproportionate cost.

There is pharmacy information relating to a sample of prisons. However, it is not possible to disaggregate these data reliably to estimate the number of benzodiazepine prescriptions. A specific survey would be needed involving a representative sample of prisons.

Criminals (Assets)

Mr. Malcolm Bruce: To ask the Secretary of State for the Home Department what estimate he has made of the revenues raised by seizing the assets of criminals in *(a)* 1994–95, *(b)* 1996–97 and *(c)* 1997–98; and if he will make a statement. [40236]

Mr. Michael *[holding answer 30 April 1998]:* Between April 1994 and March 1997, the following sums were remitted to the Consolidated Fund under the confiscation legislation which applies in England and Wales:

Drug Trafficking Offences Act 1986 and Drug Trafficking Act 1994

£

Year	*Amount*
1994–95	5,135,000
1995–96	5,343,000
1996–97	7,415,000

Criminal Justice Act 1988 and Criminal Justice Act 1988 as amended by the Proceeds of Crime Act 1995

£

Year	*Amount*
1994–95	1,319,000
1995–96	1,024,000
1996–97	1,343,000

Figures for 1997–98 will not be available until later this year.

Pet Boarding Establishments

Jackie Ballard: To ask the Secretary of State for the Home Department what plans he has to review the regulations concerning pet boarding establishments. [40533]

Mr. George Howarth: The operation of the Animal Boarding Establishments Act 1963 is kept under consideration. There are no plans at present to review the legislation.

Special Constables

Mr. Beith: To ask the Secretary of State for the Home Department what guidance his Department gives to police authorities with regard to insuring special constables; and if he will make a statement. [40859]

Mr. Michael: Arrangements to compensate special constables who are injured on duty are contained in the Special Constables Regulations. The courts have held that, where a statutory scheme exists, supplementary payments are unlawful because the statutory scheme is exhaustive. The Police (Insurance of Voluntary Assistants) Act 1997, which came into effect on 21 March last year, specifically excluded special constables for this reason.

The 1995–96 Special Constabulary Working Group reviewed the compensation arrangements and recommended a number of changes to the regulations. The Group considered the question of compensation through insurance but was not convinced that private insurance would provide any better cover than could be provided under suitably amended regulations.

Proposals for new regulations were set out in a consultation paper which was sent to the police staff associations, the Association of Police Authorities and the special constabularies last December. Comments received from those bodies are currently under consideration and we aim to lay new regulations before Parliament later this year.

A copy of the consultation paper was placed in the Library in December 1997.

Mary Bell

Mr. Peter Atkinson: To ask the Secretary of State for the Home Department if he will investigate the role of *(a)* the Probation Service and *(b)* his Department in the publication of the book "Cries Unheard"; and if they were aware in advance of any proposed payment to Mary Bell. [41060]

Mr. Straw: I have asked the Permanent Secretary of the Home Office to investigate the circumstances in which Home Office officials became aware that Mary Bell, convicted for manslaughter and released on life licence, was proposing to co-operate with Gitta Sereny in the writing of a book about her life, to establish what procedures and instructions were in place to guide proper consideration of the case, and to make recommendations for improvement in handling such cases in future. I have asked for a report by the end of June, with the intention of making the main findings public.

The Probation Service is separately reviewing their involvement in events leading up to the publication of the book and I have asked for a report on the outcome.

Police Officers

Mr. Beith: To ask the Secretary of State for the Home Department, pursuant to his answer of 24 April 1998, *Official Report*, column *703*, when he expects to publish figures for the number of police officers in England and Wales on 31 March. [41011]

Mr. Michael: This information is currently being collected in accordance with routine procedures. Once all the returns have been received from the police and validated, the statistics will be placed in the Library. I expect this information to be available in early June. The figures for the year to March 1997 were published on 10 June 1997.

PRIME MINISTER

Public Appointments

Jackie Ballard: To ask the Prime Minister how many and what percentage of the (i) paid and (ii) unpaid appointments which he has made to non-departmental public bodies since 1 May 1997 were women. [39402]

The Prime Minister *[holding answer 29 April 1998]:* Since 1 May 1997, I have appointed or re-appointed 62 men and 24 women to serve on the boards of non-departmental public bodies. Of these, 22 men (81 per cent.) and 5 women (19 per cent.) have been appointed to paid posts and 40 men (68 per cent.) and 19 women (32 per cent.) have been appointed to unpaid posts. The Figures given in this answer include all appointments and re-appointments directly within my gift, made by officials and Ministers on my behalf, and made by Her Majesty The Queen on my advice.

The Government are committed to increasing the representation of women in public life. In support of this, all Departments are currently drawing up action plans for increasing the number of women and ethnic minorities holding public appointments.

Engagements

Sir Peter Tapsell: To ask the Prime Minister if he will list his official engagements for Wednesday 6 May. [40630]

The Prime Minister: This morning I had meetings with ministerial colleagues and others. Later today, together with the right hon. Member for Huntingdon, (Mr. Major), I will be paying a visit to Northern Ireland.

EDUCATION AND EMPLOYMENT

Supported Employment Placements

Ms Keeble: To ask the Secretary of State for Education and Employment (1) when the decision will be taken on the level of capitation grant for supported employment placements for 1999–2000; [39637]

(2) what is the projected level of funding available to the Sheltered Employment and Procurement Consultancy Services for capital grants for 1999–2000 and for 2000–01; [39638]

(3) what assessment he has made of the impact on income levels of people with disabilities who have approved placements at supported factories of the freeze on the capitation grant for supported employment placements; [39639]

(4) what assessment his Department has made of the effect on supported factories of the freeze of the capitation grant for supported employment placements; [39640]

(5) when the decision was taken to freeze the capitation grant for supported employment placements. [39641]

Mr. Alan Howarth: The Employment Service works closely with supported employment providers on the operation, and factors affecting delivery, of their contracts including capitation needs, and advises and assists them in devising strategies for improving business efficiency.

Wages rates are a matter between employer and employee and, where an industry has agreed rates, these will apply in workshops.

The Supported Employment Consultative Group was advised formally of the grant rate in March 1998 and all contract managers were written to on 6 April.

In common with other Departments, the Department for Education and Employment has undertaken a comprehensive spending review of all areas of its spending. Announcements will be made in the summer. Capitation grant levels for future years will be set following decisions about the Department's overall base lines.

Schools (Finance)

Mr. Bob Russell: To ask the Secretary of State for Education and Employment what proposals he has to ensure that students in the age group 16 to 18-year-olds attending schools with sixth forms are funded at the same level as students attending colleges in the further education sector. [39952]

Dr. Howells: We are looking at the scope for greater equity of funding between school sixth forms and Further Education colleges as part of the Department's Comprehensive Spending Review. We expect that announcements will be made in the Summer.

Mr. Bob Russell: To ask the Secretary of State for Education and Employment what checks are made to ensure that schools for 11 to 18- year-olds do not reallocate resources from pupils in the 11 to 16- years-age group to their sixth form students. [39953]

Dr. Howells: None, since to do so would be incompatible with the philosophy behind Local Management of Schools (LMS). Under LMS, the governing body of a school with a delegated budget may deploy the resources provided by the Local Education Authority as it thinks fit. This is subject to any restrictions contained in the Authority's LMS scheme and to the overriding requirement that the budget share may be spent only for the purposes of the school.

Further Education Colleges

Mr. Edwards: To ask the Secretary of State for Education and Employment what guidelines his Department issues to further education colleges in England with regard to advertising their courses in Wales. [40013]

Dr. Howells: The Department has not issued guidance on this.

Student Loans

Mr. Willis: To ask the Secretary of State for Education and Employment what additional resources will become available to the Government as a result of introducing a system of formal resource accounting and budgeting in 2001 and 2002, under which student loans will be treated as a balance sheet asset; and what additional resources will be available to higher education. [40123]

Dr. Howells: The treatment of student loans under resource accounting is still under discussion. The resources which will be available to higher education are currently being considered as part of the Comprehensive Spending Review.

Mr. Willis: To ask the Secretary of State for Education and Employment when he expects to complete the sale of the remaining student loan debt portfolio; and which institutions are bidding for the remaining portfolio. [40122]

Dr. Howells: We made a commitment in our election manifesto to staying within the published spending plans of the previous Government for the first two years of our term. My right hon. Friend the Chancellor of the Exchequer made it clear in his statement, on 10 July 1997, *Official Report*, columns *607–08*, that the student loan debt sales planned for 1997–98 and 1998–99 had a role to play in enabling us to keep that pledge. The debt sales also reflect our commitment to the development of a wide range of public-private partnerships which involve the transfer of risk to the private sector.

Current plans are for a second sale, involving part of the remaining student loan debt, to get under way shortly and to be completed within the 1998–99 financial year. We will again hold a competition and expect a wide range of prominent financial institutions to participate.

Lifelong Learning

Mr. Öpik: To ask the Secretary of State for Education and Employment what plans he has for proposals on Lifelong Learning; and if he will make a statement. [40129]

Dr. Howells: My right hon. Friend the Secretary of State for Education and Employment published his proposals for lifelong learning in the Green Paper, *The Learning Age* (Cm 3790), on 25 February. The consultation period lasts until 24 July. Meanwhile, we have issued several of the "Learning Age Papers" foreshadowed in the Green Paper:

- Higher Education for the 21st Century (published 25 February);
- Further Education for the new Millennium (published 25 February);
- Accountability in Further Education (published 5 March);
- University for Industry Pathfinder Prospectus (published 31 March); and
- Individual Learning Accounts Development Guide (published 8 April).

Copies of all these documents, which provide further information on particular policy issues and initiatives, have been placed in the Library. In addition, our proposals to improve coherence and accountability in 16–19 planning were sent to the Further Education Funding Council and the Local Government Association on 5 March; and our proposals for 16–19 qualifications were circulated to schools and other interested parties on 3 April.

School Replacement or Repair

Mr. Bill O'Brien: To ask the Secretary of State for Education and Employment if he will list the schools which qualify for allocations from the New Deal for schools in 1998–99 for replacement or repair, indicating the new schools to be built. [40208]

Mr. Byers: I have placed in the Library a list of the projects which received allocations on 16 April. The allocations in respect of the following schools will result in the schools being replaced:

- Mapplewell Primary School, Barnsley
- Holsworthy Primary School, Devon
- Hartpury C of E Primary School, Gloucestershire
- Marlbrook Primary School, Herefordshire
- St. Alphege C of E Infant School, Kent
- Bacup St. Saviour's School, Lancashire
- Matthew Arnold Primary School, Liverpool
- St. Michael in the Hamlet Junior School, Liverpool
- Pleasant Street Primary School, Liverpool
- Mangotsfield C of E VC Primary School, South Gloucestershire
- Knaphill County Infant School, Surrey
- Ridge Primary School, Sutton
- Normanton Common First School, Wakefield
- Pound Hill School, West Sussex
- Atherton Chowbent School, Wigan
- Queen's Park Community School, Brent.

In addition, we are supporting a number of public private partnership projects which will result in the replacement or provision of new schools. This support is in the form of contributions to development or project costs, and is dependent on projects securing Treasury Taskforce approval and achieving final contract signature. They include:

- Foxton School, Cambridgeshire
- Hazeldown Primary School and Teignmouth Community College, Devon
- Worlds End Lane Secondary School, Enfield
- Lillian Bayliss School, Lambeth
- Harry Carlton School, Nottinghamshire
- Ecclesfield Secondary School, Sheffield

Earl Marshal School, Sheffield
King Edward VII School, Sheffield
Tapton School, Sheffield
Sir Graham Balfour School, Stafford
Westlands School and Homelands Infant School, Torbay
Mulberry School, Tower Hamlets
Leyton Secondary School, Waltham Forest.

Replacement or new schools are also included in PPP projects in Leeds, North Yorkshire, Sandwell and Wiltshire.

Education Funding

Mr. Willis: To ask the Secretary of State for Education and Employment if the recent comments to Politeia by the Chief Inspector of Schools represent the Government's policy on education funding. [40821]

Mr. Byers: The Government have a commitment to increase the proportion of national income spent on education. The additional funding made available in 1998–99 is the first step in delivering this pledge.

Music Teaching

Mr. Chaytor: To ask the Secretary of State for Education and Employment what plans he has to review the range and quality of music teaching in primary schools; and if he will make a statement. [40779]

Ms Estelle Morris: Music is a National Curriculum foundation subject and must be taught in all primary schools. The Qualifications and Curriculum Authority is currently advising my right hon. Friend the Secretary of State on the broad nature and scope of a review of the National Curriculum for the year 2000. In addition, Her Majesty's Chief Inspector of Schools reports annually to my right hon. Friend the Secretary of State on the range and quality of teaching in all National Curriculum subjects in primary schools, including music.

INTERNATIONAL DEVELOPMENT

Education Budget

Dr. Tonge: To ask the Secretary of State for International Development what percentage of her Department's 1997–98 budget for the generation and dissemination of knowledge was spent in the United Kingdom. [40617]

Clare Short: Final figures of expenditure on knowledge generation and dissemination by my Department in 1997–98 are not yet available but are estimated at some £84 million. Data are not maintained of the percentage spent in the United Kingdom. Much of the work was commissioned from United Kingdom institutions which will have incurred expenditure both in this country and in developing countries.

Public Bodies

Mr. Öpik: To ask the Secretary of State for International Development how many and what proportion of her Department's appointees to non-departmental public bodies are (i) aged under 25, (ii) aged 25 to 30 and (iii) aged 31 to 35 years. [40748]

Clare Short: I regret that none of the appointees of DFID to non-departmental public bodies is aged under 35. The Government are committed to encouraging more young people to put themselves forward as potential candidates for public appointment. All appointments are made on merit, and candidates must demonstrate that they have the necessary skills and experience to match the needs of the public body on which they wish to serve.

Indonesia

Dr. Tonge: To ask the Secretary of State for International Development if she will list the measures her Department has taken to promote the education of children about their rights in Indonesia. [40621]

Clare Short: UNICEF takes the lead in the international community in promoting the rights of children as set out in the International Convention on the Rights of the Child. As the major advocate for the rights of the child in Indonesia, UNICEF is working with the Government on legal reforms relating to the elimination of hazardous employment of children, juvenile justice, child abuse and neglect, as well as sexual exploitation.

The Department for International Development is preparing a regional strategy to help tackle the problem of child labour in South East Asia. The need for children to be educated about their rights will be assessed during the preparation of this strategy.

Tariff Elimination

Dr. Tonge: To ask the Secretary of State for International Development what progress has been made on a multilateral commitment to eliminate tariffs for the least developed countries. [40620]

Clare Short: UK policy towards elimination of barriers to trade for Least Developed Countries (LDC) is set out in the Government's White Paper on International Development published in November 1997. The UK has agreed strongly within Europe and internationally (including through the G8) in pushing for the elimination of tariffs on imports from the LDCs and for eventual agreement to eliminate tariffs within a bound WTO scheme.

Some progress has been made towards this end: a number of member states made commitments to extend their market access for LDCs at the WTO hosted High Level Meeting for LDCs in October last year. Progress will be reviewed at the WTO Ministerial in May this year.

Under the UK Presidency, agreement has been reached within the EU to extend market access to the imports of the nine non-African, Caribbean and Pacific LDCs on terms similar to those available under the Lomé Convention. The UK see this as a first step and will continue to press for duty-free access to the EU market for all Least Developed Countries. In addition, the UK recognises that complex rules of origin can act as a constraint on taking up preferential access. The UK is therefore pressing for an EU commitment to simplify and harmonise the EU preferential origin rules.

Research Institutions

Dr. Tonge: To ask the Secretary of State for International Development what representations her

Department has made to developing country research institutions; and what sums were spent on development research carried out in partnership with developing country research institutions in each of the last three years. [40625]

Clare Short: My Department works closely with national research systems in developing countries to help generate and apply solutions to the problems which constrain sustainable development. Separate data are not maintained of sums spent on partnerships with developing country research institutes. Available data are in Table 12, page 83, of British Aid Statistics, 1992/93–1996/97, copies of which are in the Library of the House.

LORD CHANCELLOR'S DEPARTMENT

Ministerial Visits

Mr. Wilshire: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list those visits made within the United Kingdom since 1 May on which *(a)* he and *(b)* other Ministers within his Department have been accompanied under Rule 83 of the Ministerial Code indicating (i) those persons accompanying and (ii) the cost to public funds. [23757]

Mr. Hoon *[holding answer 19 January 1998]:* Since 1 May 1997 I have undertaken no accompanied visits covered under Rule 83 of the Ministerial Code. Lady Irvine has accompanied the Lord Chancellor on the following official visits within the United Kingdom since 1 May 1997:

May—Edinburgh

June—Glasgow

November—Chippenham

December—Lewes

February—Northern Ireland.

The total additional cost to public funds was £879.

Overseas Travel

Mr. Malcolm Bruce: To ask the Parliamentary Secretary, Lord Chancellor's Department what is his estimate of the cost of Ministerial overseas travel in his Department in *(a)* 1995–96, *(b)* 1996–97 and *(c)* 1997–98 to date. [26673]

Mr. Hoon *[holding answer 5 February 1998]:* The total expenditure on travel by Ministers in my Department for these periods is as follows:

1995–96: £46,159

1996–97: £50,801

1997–98: £29,434.

To separate the figure for overseas travel expenditure from the overall cost of ministerial travel could be done only at a disproportionate cost.

Written Judgments

Mr. Gordon Prentice: To ask the Parliamentary Secretary, Lord Chancellor's Department what has been the longest interval between the close of a trial and the delivery of the written judgment of the court since 1987. [38207]

Mr. Hoon *[holding answer 20 April 1998]:* In the vast majority of cases judgments are delivered immediately at the end of trial. Where judgments are reserved, the average period before delivery varies, but, for example, the most recent figure in the Chancery Division is 15 working days and in the Queens Bench Division is 10 working days. The available information indicates that the longest delay in recent years, which was wholly exceptional, was 22 calendar months in the case of *Goose v Wilson Sandford* (Court of Appeal, 13 February 1998).

Millennium (Definition)

Mr. Mackinlay: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will review whether legislation is needed to clarify, for contracts and other legal purposes, the definition of the terms *(a)* millennium, *(b)* eve of the millennium and *(c)* similar phrases. [40314]

Mr. Hoon: The Government have no intention of doing so. It is for those drawing up legal documents to ensure that the meaning of any terms which they use denoting times or dates is clear.

Ramsgate Walkway Disaster

Dr. Ladyman: To ask the Parliamentary Secretary, Lord Chancellor's Department what progress has been made in enforcing the payment of fines levied as a consequence of the prosecutions in respect of the Ramsgate walkway disaster of 14 April 1994; and what he intends to do to ensure the compliance of the Swedish companies, Fartgsentreprendar A.B. and Fartygskonstruktioner A.B., with the sentences imposed on them. [40339]

Mr. Hoon: The Port of Ramsgate Ltd. and Lloyds Register of Shipping have both paid the fines and costs imposed upon them. The two Swedish companies, Fartgsentreprendar A.B. and Fartygskonstruktioner A.B. have not. Enforcement action against the two Swedish companies has not been successful. Distress warrants were issued but could not be executed because neither company had assets in this country. Unlike the civil jurisdiction there is no convention between the countries of the European Union allowing one country to enforce criminal penalties enforced in another.

CULTURE, MEDIA AND SPORT

Sport (Women)

Mr. Pendry: To ask the Secretary of State for Culture, Media and Sport if he will endorse the 1994 Brighton Declaration on Women in Sport. [24701]

Mr. Banks: The Government support the aims of the 1994 Brighton Declaration on Women and Sport. The UK and home country Sports Councils already undertake a number of activities in support of these aims to help women in sport.

We are considering formal adoption of the declaration and hope to make an announcement in due course.

Lottery Funding

Mr. Burden: To ask the Secretary of State for Culture, Media and Sport (1) how many projects applying for Lottery funds have been turned down because of inadequate matching funds; [40240]

(2) what research his Department has conducted into *(a)* the number and *(b)* the type of projects that do not apply for Lottery funds because they cannot raise adequate matching funds. [40241]

Mr. Banks: The Lottery distributors do not keep records of how many applications for Lottery funding are turned down because of lack of partnership support. Neither the Department nor the distributors have conducted any research into the extent to which applications are not made because of difficulties in securing such support.

I am nevertheless concerned about the ability of some applicants to raise partnership support. As a result, the new package of draft Policy Directions governing the distribution of Lottery funds, on which my right hon. Friends the Secretaries of State for Culture, for Scotland, for Wales and for Northern Ireland are consulting, require distributors to take into account the extent to which applicants can realistically expect to raise partnership support. These Directions make it clear that volunteer time and support in kind are as acceptable as cash for this purpose. It is for individual distributors to set detailed partnership requirements and to monitor their impact.

Staff Car Mileage Allowance

Mr. Stunell: To ask the Secretary of State for Culture, Media and Sport what were *(a)* the total value in real terms of staff car mileage claims paid, *(b)* the total value in real terms of staff rail fares paid, *(c)* the total amount of staff car mileage for which reimbursement was made and *(d)* the percentage change from the previous year in each case, for his Department in each year since the Department was created. [40441]

Mr. Tom Clarke: The information is not readily available and can be provided only at disproportionate cost.

Departmental Energy Use

Mr. Stunell: To ask the Secretary of State for Culture, Media and Sport what quantity of *(a)* oil, *(b)* gas and *(c)* electricity, was purchased for the heating, lighting and powering of all accommodation occupied by the Department in each year of its and its predecessors' occupation; and what was the total cost in real terms for *(a)* to (c) in each year. [40411]

Mr. Tom Clarke: My Department was created in April 1992 by transferring certain areas of responsibility from six Departments. However, the following details of energy consumption and costs are available only from 1993 when the Department commenced occupation of its own buildings:

	Oil		*Gas*		*Electricity*	
	KWH	*Cost (£)*	*KWH*	*Cost (£)*	*KWH*	*Cost (£)*
1993–94[1]	Nil	Nil	221,808	3,810	586,372	49,400
1994–95	Nil	Nil	1,059,183	14,599	1,074,541	64,066
1995–96[2]	Nil	Nil	1,593,599	15,247	1,194,927	67,023
1996–97	Nil	Nil	1,450,385	11,967	1,342,571	78,655
1997–98[3]	Nil	Nil	1,593,731	12,939	1,176,410	82,490

[1] Occupation during part financial year.
[2] Additional premises acquired part way through the financial year.
[3] Awaiting invoice for final period for one building. Discussions are continuing with the landlord of one building to identify the increased costs between 1996–97 and 1997–98.

National Lottery Distribution Fund

Mrs. Humble: To ask the Secretary of State for Culture, Media and Sport if he will make a statement on his plans to improve the audit of the National Lottery Distribution Fund. [41095]

Mr. Chris Smith: It is Government's intention that the financial arrangements governing the National Lottery should be as transparent as possible. I have therefore tabled an amendment to the National Lottery Bill to allow the Comptroller and Auditor General access to those records of the National Lottery operator that are necessary for the purpose of his office's audit of the National Lottery Distribution Fund under section 33 of the National Lottery etc. Act 1993. This will deal with the concerns of the Public Accounts Committee as set out in their 20th Report in 1996–97. In exercising this access, the C&AG will have to take account of the work carried out by the Director General. This change does not provide a wider right of access for the purposes of value for money reviews of the private sector operator.

The necessary amendment will be tabled in the Committee that is presently sitting.

DEFENCE

Regular Forces and Reservists (Costs)

Mr. Key: To ask the Secretary of State for Defence what were the overall costs in *(a)* 1996–97 and *(b)* 1997–98 of (i) regular forces and (ii) reservists in (1) the Royal Navy, (2) the Army and (3) the Royal Air Force. [39619]

Dr. Reid: I will write to the hon. Member and a copy of my letter will be placed in the Library of the House.

Land Sales

Sir Raymond Powell: To ask the Secretary of State for Defence on how many occasions since 1 May 1997 he has invoked exemption 14 of the Code of Practice on Access to Government Information in respect of selling or disposing of land to private individuals or consortia. [40087]

Mr. Spellar: There has been one occasion when exemption 14 of the Code of Practice on Access to Government Information has been used in respect of selling or disposing of land to private individuals or consortiums since 1 May 1997.

Chemical Weapons

Mr. Burstow: To ask the Secretary of State for Defence what were the liquid compounds of the COMBOPENS Autoject Nerve Agent Antidote L4A1 produced by Duphar International Research BV of the Netherlands and supplied to the British Army in the Gulf War. [40143]

Dr. Reid: The COMBOPEN Autoject Nerve Agent Antidote L4A1 was available for use by UK forces during the Gulf conflict as a post-attack therapy against nerve agents. The composition of the liquid formulation which it contained was:

Composition	
Pralidoxime Methane Sulphonate (P2S)	500mg
Avisafone	10mg
Atropine Sulphate (USP)	2mg
Citric Acid Monohydrate	42mg
Water (for injection)	2ml

Sulphuric Acid (BP) and Sodium Hydroxide (BP) were added as required during manufacture to adjust the solution's hydrogen ion concentration (its pH level) to within the range of pH 3.0–3.4 in order to maintain the stability of the solution.

Germ Warfare

Dr. Gibson: To ask the Secretary of State for Defence what plans he has made to counter a germ-warfare attack on the United Kingdom. [40422]

Dr. Reid: The Government take very seriously the need to protect the United Kingdom against the threat or use of weapons of mass destruction, including biological warfare. We remain alert to any threat, and the UK retains a spectrum of military, scientific and other capabilities, which complement diplomatic and non-proliferation efforts intended to raise the political and economic costs of acquisition of these weapons and deter their use.

I can assure my hon. Friend that, in the context of the Strategic Defence Review, we are considering very carefully our military posture against the risks posed by all weapons of mass destruction

Reserve Forces

Mr. Gill: To ask the Secretary of State for Defence how much money has been spent on recruitment advertising for the Reserve Forces in the past 12 months [40855]

Dr. Reid: During financial year 1997–98, around £5.45 million was spent on recruitment advertising for the reserve forces.

Public Bodies

Mr. Öpik: To ask the Secretary of State for Defence how many and what proportion of his Department's appointees to non-departmental public bodies are (i) aged under 25, (ii) aged 25 to 30 and (iii) aged 31 to 35 years. [40738]

Mr. Spellar: Of the Department's current appointees to its non-departmental public bodies, the number in the categories specified are: (i) aged under 25—nil, (ii) aged 25–30—nil, and (iii) aged 31–35 years—two, representing 0.6 per cent. of total appointees. The Government are committed to encouraging a wide range of candidates to apply for positions on the boards of public bodies, reflecting the diverse society in which we live. This includes encouraging more young people to put themselves forward as potential candidates for public appointments. All appointments are made on merit, and candidates must demonstrate that they have the necessary skills and experience to match the needs of the public body on which they wish to serve.

Exercise Miscast

Mr. Matthew Taylor: To ask the Secretary of State for Defence what was the scenario of the exercise entitled Miscast which took place in 1992; on what dates and where this exercise took place; and if he will place a copy of the results of this exercise in the Library. [40816]

Dr. Reid: Exercise Miscast took place at Swynnerton in November 1992. The exercise tested the procedures in place for responding to an accident caused by a civil light aircraft crashing onto a vehicle carrying nuclear weapons. A classified report on the exercise does exist, but I am withholding it under Exemption 2 of the Code of Practice on Access to Government Information.

WE177 Bombs

Mr. Matthew Taylor: To ask the Secretary of State for Defence, pursuant to his answer of 20 April 1998, *Official Report*, columns *467–68*, on WE177 bombs, when *(a)* the Truck Cargo 4t 4x4 Bedford MK and *(b)* the Truck Cargo Heavy Duty Mark 1 (i) entered and (ii) was withdrawn from service. [40767]

Dr. Reid: The Truck Cargo 4t 4x4 Bedford MK was in service when WE177 was introduced and withdrawn in the period 1979–80 when it was replaced by the Truck Cargo Heavy Duty Mark I. This was withdrawn in July 1992, when it was replaced by the Mark II variant that is still in service.

Bulldog Aircraft

Mr. Ben Chapman: To ask the Secretary of State for Defence if he will make a statement on the Private Finance Initiative project to replace the Bulldog training aircraft. [40642]

Dr. Reid: We are now seeking 'best and final offers' from bidders covering both aircraft types being offered. A final decision on the aircraft selected and the preferred bidder will be announced as soon as possible.

Nuclear Submarines

Mr. Brazier: To ask the Secretary of State for Defence if he will list the principal works being carried out to the SSNs currently undergoing refit. [40891]

Mr. Spellar: The principal work being undertaken on the submarines currently in refit is as follows:

(a) The removal and replacement of the nuclear fuel and maintenance and repair, where necessary, of the nuclear plant.

(b) A package of capability improvements to upgrade weapon systems.

(c) Essential periodic planned maintenance, update and repairs on the hull and machinery such as electrical generators and propeller shafts, and submarine control systems.

This work will ensure the continued safe operation of the submarines for the duration of the next commission following refit.

Government Contracts

Mr. Quinn: To ask the Secretary of State for Defence if he will make a statement on the report by the Review Board for Government Contracts on its 1998 Annual Review of the Profit Formula for Non-Competitive Government Contracts. [41199]

Mr. Spellar: The Government have accepted the overall target rate of return on capital employed as recommended by the Review Board on its report. The new rate will be 22.2% compared with the current rate of 20.95%, both on the basis of historic costs. It will become effective immediately. The Report has been printed and copies will be placed in the Library of the House.

NORTHERN IRELAND

Mixed Farms

Mr. William Ross: To ask the Secretary of State for Northern Ireland if she will list the *(a)* number and *(b)* location of mixed farms in Northern Ireland; and what further planning applications for mixed farms have been made and for which locations. [39967]

Mr. Paul Murphy: Mixed farms are located as follows in Northern Ireland:

County	*Number of mixed farms, June 1997*
Antrim	338
Armagh	206
Down	484
Fermanagh	13
Londonderry	291
Tyrone	235
Northern Ireland	1,567

The Planning Service of the Department of the Environment for Northern Ireland have had no planning applications for mixed farms.

Parades Commission

Mr. William Ross: To ask the Secretary of State for Northern Ireland if she will list the names of those persons who act as facilitators for the Parades Commission, showing when they were appointed and for what periods; and what payment is made for their services. [39968]

Mr. Ingram: I refer the hon. Gentleman to the reply I gave to him on 7 April 1998, *Official Report*, column *188*.

Telecommunications Masts

Mr. William Ross: To ask the Secretary of State for Northern Ireland if she will list *(a)* the names of each company operating mobile telephone networks in Northern Ireland, *(b)* the number of transmitting masts for which each of those companies has sought planning permission, *(c)* the number of masts already erected, *(d)* the number of masts which each of the companies intends to erect to complete their network and *(e)* where a full list of the masts to be erected by each company can be inspected. [40009]

Mr. Paul Murphy: Four companies are currently licensed to operate mobile telephone networks in Northern Ireland. These are Vodafone Limited, Telecom Securicor Cellular Radio Limited (trading as Cellnet), Orange Personal Communications Services Limited and Mercury Personal Communications Limited (trading as One 2 One). In line with the Government's general policy of facilitating the growth of new and existing telecommunications systems, extensive permitted development rights have been granted to licensed operators whereby the Department's express planning permission to erect certain types of masts is not required. Where the Department's express planning permission to erect a mast is required, details of the number of applications submitted is as follows:

Company Name	*1994*	*1995*	*1996*	*1997*	*1998 (to date)*
Mercury PC Ltd.	11	5	0	0	0
Vodafone Ltd.	9	4	1	5	1
Orange PCS Ltd.	0	1	2	48	8
Telecom Securicor Cellular Radio Ltd.	3	0	0	5	1

Prisoners

Mr. William Ross: To ask the Secretary of State for Northern Ireland how many persons are in prison for crimes related to terrorist actions; how many belong to each proscribed organisation; how many claiming allegiance to, or accepted by, each such organisation are due for release in the normal course of events in *(a)* 1998, *(b)* 1999, *(c)* 2000, *(d)* 2001, *(e)* 2002 and *(f)* in the following five year period; and how many in each category are serving life or other indeterminate sentences. [39966]

Mr. Ingram: The Prison Service does not record whether a person is in prison for crimes related to terrorist actions. The Prison Service records the number of prisoners convicted of scheduled offences, which are those offences generally committed as acts of terrorism. On 26 February 1998 there were 781 prisoners in custody who had been convicted of scheduled offences. This figure includes prisoners who have had their offence certified out by the Attorney-General as having no connection with terrorism. Only prisoners held in segregated wings at HMP Maze and a small number of female prisoners held at HMP Maghaberry can clearly be identified as being affiliated to particular proscribed

organisations. In the normal course of events the following number of prisoners affiliated to these organisations would be released.

	UDA/UFF	*UVF*	*LVF*	*IRA*	*INLA*
1998	8	10	0	28	1
1999	21	9	1	25	2
2000	16	7	1	18	1
2001	4	8	3	18	2
2002	7	1	2	15	0
Next 5 Years	2	3	0	34	4

Note:
The figures in this table relate to those persons convicted of scheduled offences and sentenced to three years or more who were in custody in HMP Maze on 26 January 1998. The complete record was not available for a small number of prisoners when the research on which this table is based was carried out and so the table slightly undercounts the number of prisoners to be released during this period.

The number of prisoners serving sentences of life imprisonment for scheduled offences at HMP Maze on 1 May 1998 by paramilitary affiliation is as follows:

	Number
UDA/UFF	21
UVF	21
LVF	5
IRA	48
INLA	4

These figures exclude life sentence prisoners who have been given provisional release dates.

TRADE AND INDUSTRY

Multilateral Agreement on Investment

Mr. Mitchell: To ask the President of the Board of Trade if she will make a statement on the division of responsibility within Government in respect of negotiations relating to the Multilateral Agreement on Investment; who has represented the UK Government during the negotiations; through which international fora negotiations are being conducted; and when she estimates a final text will be agreed. [38885]

Mrs. Beckett: The DTI leads for the UK on the MAI, co-ordinating the UK position with other interested Departments in the usual way. At ministerial level, the Government are represented by my noble Friend, Lord Clinton-Davis, Minister for Trade. The negotiations are being conducted at the OECD. I cannot give an estimate of when a final text will be agreed, but OECD Ministers agreed recently that negotiators should continue their work with the aim of reaching a successful and timely conclusion.

SCOTLAND

Food-related Scientific Services

Mr. Roy: To ask the Secretary of State for Scotland what action he has taken to set up the review of food-related scientific services in Scotland, as set out in the White Paper on the Food Standards Agency. [41198]

Mr. Galbraith: An Independent Group has now been appointed to undertake the Review of Food Related Scientific Services in Scotland. The Group will be chaired by Professor Morag Timbury, recently retired Head of the Central Public Health Laboratory in Colindale, London and former Professor of Virology in Glasgow, with the majority of members nominated by the main bodies with a direct interest in the scientific services. The Group will consider evidence and views from all interested parties and is due to report in the autumn.

It is important that local authorities have access to high qualify scientific support for food testing. The testing of food samples is an essential element of the food law enforcement and surveillance system which directly protects public health. This independent review of the existing scientific services, both microbiological and chemical, will ensure that in Scotland we will have in place an effective and efficient system to provide food authorities with the necessary scientific support to allow them to undertake their important public health role, both now and in the future.

FOREIGN AND COMMONWEALTH AFFAIRS

Europe Day

Mr. Hutton: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the flying of the European flag from Government buildings and in Parliament Square on Europe day. [41002]

Mr. Doug Henderson: On Europe Day, 9 May, the European flag will fly, alongside the Union Jack, from Government buildings and in Parliament Square.

Flying the European flag on Europe Day reflects the important position which the UK hold for the six months of the Presidency and emphasises the Government's confidence in its role in the EU.

Sandline International Ltd.

Mrs. McGuire: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the alleged involvement of Sandline International Ltd. in the coup in Sierra Leone. [41215]

Mr. Robin Cook: I refer my hon. Friend to the answer I gave to the House today to the Private Notice Question asked by the right hon. and learned Member for Folkestone and Hythe (Mr. Howard).

WALES

Personal Advisers

Sir Raymond Powell: To ask the Secretary of State for Wales how many personal advisers he has; and when they were appointed. [40101]

Mr. Ron Davies: My Department employs two Special Advisers, Mr. John Adams, who was appointed on 4 May 1997, and Mr. Huw Roberts, who was appointed on 1 June 1997.

EU Structural Funds

Mr. Wigley: To ask the Secretary of State for Wales what was the total amount of structural funds paid by the European Union to Wales in 1997–98; what effect these payments had on rebates payable to the United Kingdom under the provisions of the Fontainebleau Agreement; and what was the total of matching funds from central Government funds in order to secure these structural funds. [40357]

Mr. Hain: The total amount of structural funds paid by the European Union to Wales in 1997–98 in respect of a wide range of programmes and community initiatives operating in the Principality was £111.4 million. The effect on the UK's rebate is to reduce it by some £73.5 million (66 per cent. of the value of the receipts)—compared, that is, to the position whereby the UK had not had this level of receipt within the same total community spending. Matching funding to secure these funds comes from a wide range of public and private sources and it is not possible to provide a separate figure on those from central government funds, which are not ring fenced for this purpose.

School Governors

Mr. Llwyd: To ask the Secretary of State for Wales what guidance his Department issues in respect of the criteria to determine those suitable for appointment as school governors; and if he will make a statement. [40472]

Mr. Hain: No specific guidance on this matter has been issued to schools or LEAs. Regulations 4 to 8 and 15 of the Education (School Government) Regulations 1989, as amended, state the circumstances under which a person is disqualified from holding office as a school governor.

Copies of these regulations have been sent to schools and LEAs, and they are also reproduced in the Department's publication "School Governors: a Guide to the Law", which has been made available to every school governor in Wales.

Mr. Llwyd: To ask the Secretary of State for Wales how many school governors who have criminal convictions for assault have been appointed in Wales in the last 12 months; and if he will make a statement. [40471]

Mr. Hain: The information requested is not held centrally.

Regulation 7 of the Education (School Government) Regulations 1989, as amended, sets out the circumstances under which a person is disqualified from holding office as a school governor because of a criminal conviction.

Welsh Development Agency

Mr. Gareth Thomas: To ask the Secretary of State for Wales if he will make a statement about the chairmanship of the enhanced Welsh Development Agency. [41213]

Mr. Ron Davies: Mr. David Rowe-Beddoe has written to me tendering his resignation as Chairman of the Welsh Development Agency which I have accepted. His reasons for doing so are set out in his letter to me of 29 April 1998 a copy of which, together with a copy of my reply, has been placed in the Library.

Mr. Rowe-Beddoe will continue in his role of Chairman of the Welsh Development Agency and the Development Board for Rural Wales until the establishment of the new enhanced WDA.

The post of Chairman of the new Welsh Development Agency will now be advertised and determined on the basis of open competition in accordance with Nolan principles.

I am grateful to Mr. Rowe-Beddoe. He has proved an excellent Chairman since he was appointed in 1993 and has steered the Agency to its present position of success.

Welsh Assembly

Mr. Rhodri Morgan: To ask the Secretary of State for Wales if he will make a statement on the terms of the ownership of the site acquired for the new debating chamber for the Welsh Assembly, announced on 28 April. [41065]

Mr. Ron Davies: The site will be owned by the National Assembly for Wales, on a 150 year lease at peppercorn rent.

Mr. Rhodri Morgan: To ask the Secretary of State for Wales what costings he has made for the adaptation of Crickhowell House for the temporary home of the Welsh Assembly. [41067]

Mr. Ron Davies: I refer my hon. Friend to the reply I gave to the hon. Member for Ribble Valley (Mr. Evans) on 5 May 1998, *Official Report*, column 299.

Mr. Rhodri Morgan: To ask the Secretary of State for Wales what conditions are attached to the acquisition of the site for the debating chamber of the Welsh Assembly from Grosvenor Waterside. [41066]

Mr. Ron Davies: As part of the agreement, I am proposing to take separate 25 year leases on the 3 blocks of Crickhowell House, to replace the existing two 20 year leases, in order to give the National Assembly greater flexibility and security. A 5 year rent review was due in September, but I have negotiated for the rent to be fixed at the current level for the next 5 years. I will also be looking to increase future flexibility over the car parking arrangements.

There will be a range of other routine conditions which will apply to the site for the new building, which it would not be appropriate to disclose at present while the legal agreement is being prepared, but which are typical of commercial property transactions. These relate to such matters as controls on the use, disposal, development and maintenance of the land and buildings.

Training and Enterprise Councils

Mr. Livsey: To ask the Secretary of State for Wales if he will list the individual financial reserves of each TEC in Wales as at 31 March. [40166]

Mr. Hain: Provisional figures are provided in the table. The reserves consist of funds which have already been used to acquire assets, or funds required to meet day-to-day needs, or funds which are committed to be spent over a reasonable period. The balance available for discretionary spending at 31 March 1998 (£6.9 million)

represents funds which have been earmarked by the TECs for planned expenditure during 1998–99 and for longer term projects. Officials in the Welsh Office continue to monitor closely the level of TEC reserves in order to ensure that they are clearly related to demonstrate working capital needs or reinvestment plans. Discussions are currently being held with the TECs to assess the extent to which they will be able to draw on their reserves to support the Government's commitment to the introduction of Individual Learning Accounts and the extent to which any balance of funding can be covered from future operating surpluses.

Welsh TEC reserve levels to March 1998

£000

1997–98	*Projected end of year position*				
TEC	*Reserve level*	*Fixed assets*	*Long term loans*	*Working capital*	*Amount available for discretionary spend*
CELTEC	3,567	316	783	2,050	418
Gwent	3,319	293	0	2,700	326
Mid Glamorgan	2,778	249	0	1,665	864
Powys	941	26	0	588	327
South Glamorgan	4,888	1,048	175	1,500	2,165
West Wales	6,100	427	0	2,800	2,873
All TECs	21,593	2,359	958	11,303	6,973

Note:
CELTEC came into being on 1 April 1997—the figures represent the combined reserve levels of its two predecessor TECs in North Wales.
Source:
Price Waterhouse Review of TEC Reserves

Mr. Livsey: To ask the Secretary of State for Wales if he will list the individual financial reserves of each TEC in Wales as at 31 March 1997. [40167]

Mr. Hain: The information requested is in the table.

Welsh TEC reserve levels March 1997

£000

	1996–97 end of year position				
TEC	*Reserve level*	*Fixed assets*	*Long term loans*	*Working capital*	*Amount available for discretionary spend*
CELTEC[1]	5,032	440	824	2,733	1,035
Gwent	5,193	359	0	2,836	1,998
Mid Glamorgan	2,682	229	0	1,807	646
Powys	869	47	0	511	311
South Glamorgan	4,326	125	175	1,625	2,401
West Wales	6,352	427	0	3,368	2,557
All TECS	24,454	1,627	999	12,880	8,948

[1] CELTEC came into being on 1 April 1997—the figures represent the combined reserve levels of its two predecessor TECs in North Wales
Source:
TEC Statutory Accounts

AGRICULTURE, FISHERIES AND FOOD

Flood Defence

Ms Keeble: To ask the Minister of Agriculture, Fisheries and Food what steps have been taken to monitor the implementation of the ministerial directive of March 1996 directing the Environment Agency to make flood warnings its top priority. [40595]

Mr. Morley: The Ministerial Direction of March 1996 required the Environment Agency, with effect from 1 September 1996, to take the lead in disseminating flood warnings in England and Wales.

Safeguarding of life is the highest Ministry priority and this is reflected in the priority we give to grant aiding capital expenditure on flood warning systems.

In the past two years, the Ministry has contributed some £0.5 million of grant towards the Agency's flood warning arrangements.

My officials have worked with the Agency in its implementation of the Ministerial direction. This has included overseeing studies of the effectiveness, and public awareness, of the inherited arrangements; the development of flood warning dissemination plans; and development of a flood warning strategy.

Ms Keeble: To ask the Minister of Agriculture, Fisheries and Food how many applications for capital grants for *(a)* new build and *(b)* maintenance there were in the Anglian, Thames and Severn Trent Water Company areas in each of the years 1990 to 1998. [40596]

Mr. Morley: This Department does not provide grant aid for flood defence maintenance. The numbers of applications for grant towards the cost of new or improved capital flood and sea defences, from operating authorities in the relevant Regional Flood Defence Areas were as follows:

	1990	1991	1992	1993	1994	1995	1996	1997
Anglia								
EA	54	61	90	68	66	42	36	35
LAs	2	2	0	0	1	2	0	3
IDBs	27	33	16	19	26	21	23	13
Thames								
EA	21	15	17	13	10	15	14	25
LAs	3	0	2	1	2	2	0	2
IDBs	0	0	0	0	0	0	0	0
Severn Trent								
EA	10	8	14	20	8	11	16	3
LAs	3	4	2	5	1	3	4	2
IDBs	3	3	2	2	0	0	3	1

Figures are not available for 1998.

Cling-film Silage Wrap

Jackie Ballard: To ask the Minister of Agriculture, Fisheries and Food what advice his Department gives to farmers on the safe disposal of cling-film silage wrap. [40530]

Mr. Morley: The Department publishes guidance on the safe disposal of farm plastics in the Code of Good Agricultural Practice for the Protection of Air. It has also commissioned consultants to produce a step-by-step guide to help farmers minimise the generation of agricultural waste, including waste farm plastics. I hope to publish this later this year.

The Department of the Environment, Transport and the Regions is responsible for waste management legislation and the Environment Agency is responsible for the enforcement in England and Wales.

Fishing Regulation Enforcement

Mr. Llwyd: To ask the Minister of Agriculture, Fisheries and Food what measures his Department *(a)* has taken and *(b)* proposes to take to ensure that fishing regulations are enforced. [40452]

Mr. Morley: Effective enforcement is a top priority for this Government. We are currently spending some £25 million a year on fisheries enforcement in the interests of conserving fish stocks and ensuring the long-term viability of the fishing industry. Progress has been made on a number of fronts including measures to prohibit the discarding of stowed fish, the checking of vessel safety and crewing certificates by British Sea Fishery Officers, the introduction of satellite monitoring and the issue of proposals for a system of designated ports for landings of fish made by vessels over 20 metres. We have also promoted wide ranging debate in Europe and at the March Fisheries Council secured agreement to the development of an action plan by the Commission to strengthen standards of enforcement across the Community.

Over-fishing

Mr. Llwyd: To ask the Minister of Agriculture, Fisheries and Food how many British-based *(a)* companies and *(b)* captains have been prosecuted for fishing offences relating to over-fishing in each of the last three years. [40453]

Mr. Morley: The number of prosecution cases relating to overfishing by UK registered vessels is summarised in the table. The figures include cases where the same master and/or owner have been prosecuted on more than on occasion.

	1995	1996	1997
Owners/directors only	20	17	19
Masters only	16	5	16
Masters and owners together	23	20	4

British Merchant Vessel Register

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food how many fishing licences have been issued since 1976 to foreign-owned fishing vessels registered on the British Merchant Vessel Register. [40476]

Mr. Morley: We estimate that currently there are some 150 UK registered and licensed fishing vessels which have a significant foreign interest in their ownership. Of these, about one third were registered prior to the application of restrictive licensing arrangements in 1984.

Common Fisheries Policy

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 22 April 1998, *Official Report*, column *666*, if he will make a statement on the input national Governments will have into the Common Fisheries Policy after 2002. [40482]

Mr. Morley: The Council of Ministers will decide, by qualified majority voting, on the continuation of restrictions on access within Member States' 6 and 12 mile limits, and on any necessary adjustments to the basic Regulation on the Common Fisheries Policy.

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food what discussions on *(a)* coastal zonal committees and *(b)* the recent proposals of the NFFO and

SSF relating to the European fisheries regime after the year 2002, took place at his meeting with the NFFO on 18 February. [40477]

Mr. Morley: My meeting with the National Federation of Fishermen's Organisations on 18 February concerned salmon net fisheries; neither coastal zonal committees nor the future of the Common Fisheries Policy after 2002 was discussed. These issues were discussed during a meeting with both the NFFO and the Scottish Fishermen's Federation on 30 April.

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food if he will take steps to ensure that European Commission Council regulations which designate fishing waters as a common resource are repealed. [40480]

Mr. Morley: The basic Regulation on the Common Fisheries Policy, Council Regulation (EEC) No. 3760/92, defines Community fishing waters as the waters under the sovereignty or jurisdiction of the Member States. The same Regulation defines restrictions on access to waters and the fish resources in those waters. These include the rules applicable within 6 and 12 mile limits and the system of quotas and relative stability. The Government do not support repeal of any of these provisions.

Drift Nets

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food what proposals there are to grant concessions to France in order to secure their vote in the Council of Ministers for the proposed ban on drift nets. [40478]

Mr. Morley: The Government expect that there will be a qualified majority in favour of a ban on high seas drift nets at the next meeting of the Fisheries Council, whether or not France votes in favour.

HEALTH

3M Capital Hip System

Mr. Reed: To ask the Secretary of State for Health if he will estimate how many 3M Capital Hip systems have been used by the NHS. [31980]

Mr. Milburn: An estimated 4,669 3M Capital Implants were supplied to hospitals and clinics in the National Health Service and private sector in the United Kingdom. All effected patients are being identified and recalled for clinical assessment.

Dental Services

Mr. Gordon Prentice: To ask the Secretary of State for Health how many children under 10 years have had tooth extractions carried out in each health authority over the past 12 months; and what proportion had the extractions carried out under general anaesthetic. [40305]

Mr. Milburn: The available information by health authority in England has been placed in the Library. It covers the number of courses of treatment in the General Dental Service scheduled for payment in 1997 which include claims for extractions or general anaesthetic work. It is for children under 18; separate information for children under 10 is not available. Some of the general anaesthetic work may have been associated with treatments other than extractions.

Primary Care Groups

Mr. Sheerman: To ask the Secretary of State for Health how many members he expects there to be on primary care groups; and what competencies will be represented on them. [40316]

Mr. Milburn: Guidance published at Easter (Health Service Circular 1998/065) contains advice that the governing body should command the confidence of stakeholders; take into account the need for the Primary Care Group to work with the host health authority; and allow the primary care groups to obtain the range of managerial and clinical competencies necessary for them to undertake their functions. Further guidance will be published in the summer.

Health Action Zones

Angela Smith: To ask the Secretary of State for Health what assessment he has made of the extent to which health action zones will reduce waiting times for occupational therapy assessments and adaption services. [40338]

Mr. Milburn: None. We do however expect health action zones to deliver a wide range of improvements through better integrated services developed in partnership between the National Health Service and local social services.

Continence Pads

Rev. Martin Smyth: To ask the Secretary of State for Health what consultations he has had with pharmacists and other health retailers on the possible future supply of continence pads through the retail sector; and when these meetings were held. [40198]

Mr. Milburn: There have been no such meetings as there are no plans to change the basis of supply of continence pads from the National Health Service to the retail sector.

Mr. Pike: To ask the Secretary of State for Health how many people have been on waiting lists in *(a)* Burnley and *(b)* Lancashire for continence pads from the NHS for more than (i) one month, (ii) three months and (iii) six months. [41052]

Mr. Milburn: The information requested is not available centrally.

Drug-related Deaths

Audrey Wise: To ask the Secretary of State for Health how many deaths were registered in the last year for which figures are available associated with *(a)* class A controlled drugs and *(b)* benzodiazepines. [40457]

Mr. Milburn: These figures are not available in precisely the form requested. However, details of drug-related deaths in 1995 are given in the Home Office Statistical bulletin "Statistics of Drug Addicts Notified to the Home Office, United Kingdom 1996". Copies are available in the Library.

Benzodiazepines

Audrey Wise: To ask the Secretary of State for Health how many pregnant women were given benzodiazepines in *(a)* the community and *(b)* hospitals in 1996. [40416]

Mr. Milburn: It is not possible to identify the number of prescriptions dispensed to pregnant women.

Audrey Wise: To ask the Secretary of State for Health how many benzodiazepine prescriptions have been issued for the last 10 years; and what assessment he has made of trends in prescriptions over this period. [40414]

Mr. Milburn: The total number of prescription items dispensed in England for benzodiazepines from 1987 to 1996 is shown in the table. The table shows a consistent decrease in the number of prescriptions dispensed for benzodiazepines over the period.

Benzodiazepines: number of prescriptions dispensed, 1987 to 1996—England

million

Year	*Prescriptions*
1987	20.6
1988	18.7
1989	17.3
1990	16.5
1991	16.6
1992	15.8
1993	15.2
1994	14.6
1995	14.3
1996	13.9

Notes:
1. 1987 to 1990 data are based on fees and on a 1 in 200 sample of prescriptions dispensed by community pharmacists and appliance contractors only.
2. Data from 1991 are based on items and cover all prescriptions dispensed by community pharmacists and appliance contractors, dispensing doctors and personal administration.

Audrey Wise: To ask the Secretary of State for Health what steps are being taken by his Department *(a)* to reduce the number of benzodiazepine prescriptions and *(b)* to assist involuntary addicts to come off such drugs. [40458]

Mr. Milburn: The principal focus of the Department's action has been to try to prevent addiction occurring by warning general practitioners and other prescribers of the dangers of addiction to benzodiazepines. The Department funds a number of publications that are available to general practitioners, pharmacists and other health professionals, eg. the British National Formulary and the Medicines Resource Centre monthly bulletin.

The Department continues to fund MIND (the mental health charity), which operates local self-help groups for people dependant on tranquillisers.

Audrey Wise: To ask the Secretary of State for Health how many prescriptions were issued in 1996 for benzodiazepine drugs to people aged over 65 years *(a)* in the community and *(b)* in hospitals. [40459]

Mr. Milburn: In 1996, 7.6 million benzodiazepine prescription items were dispensed in the community to patients 60 and over in England. The figure is based on a 1 in 20 sample of all prescriptions submitted to the Prescription Pricing Authority by community pharmacists and appliance contractors only. Information for the number dispensed by dispensing doctors or in hospitals is not available.

Audrey Wise: To ask the Secretary of State for Health how many of the prescriptions for benzodiazepines for 1996 were for periods of more than 14 days. [40417]

Mr. Milburn: It is not possible to identify the number of prescriptions which were for periods longer than 14 days.

Audrey Wise: To ask the Secretary of State for Health what estimate he has made of the number of long-term users of prescribed benzodiazepine drugs. [40415]

Mr. Milburn: Information on the number of long-term users of benzodiazepines is not available.

Audrey Wise: To ask the Secretary of State for Health what information is issued to patients taking benzodiazepine drugs in respect of contra-indications for taking these drugs during pregnancy. [40456]

Mr. Milburn: Patient information leaflets produced by the manufacturer and authorised by the Licensing Authority for benzodiazepines carry warnings that patients should not take the medicine if they are pregnant, might become pregnant or are breast-feeding. The product information for prescribers states that benzodiazepines should not be given during pregnancy unless there are compelling medical reasons. There are however some medical conditions in pregnancy where the use of these drugs can be life saving to mother and child, for example when used to control fits in eclampsia.

Access Committee for England

Mr. Jim Cunningham: To ask the Secretary of State for Health if he will make a statement on the refusal of section 64 funding for the Access Committee for England. [40230]

Mr. Boateng: The decision not to renew Government funding of the central administrative costs of the Access Committee for England (ACE) from April this year was reached only after very careful consideration, and was taken jointly by Ministers from the Department for Education and Employment, the Department of the Environment, Transport and the Regions and the Department of Health. The decision followed a recent inter-Departmental review which concluded that future funding of ACE by the Government should be for specific projects, and not towards their central administrative costs. This is in accordance with the policy of time-limiting grants for central administrative costs, of which voluntary organisations in receipt of Government funding under both this and the previous Government have been aware for some years.

Psychiatric Services

Mr. Burstow: To ask the Secretary of State for Health what was the average number of patients seen per qualified nurse working in community psychiatry for each NHS trust in each year of their operation. [40092]

Mr. Milburn *[holding answer 28 April 1998]:* The information requested can be provided only at disproportionate cost. Information by individual trusts about the number of first contacts between patients and

the community psychiatric nursing service has been published annually by the Department since 1993–94. Information by health authorities about the number of qualified nurses working in community psychiatry has been published by the Department since 1995. Both sets of information are available in the Library.

Special Educational Needs

Mr. Burstow: To ask the Secretary of State for Health what inter-departmental forums exist for issues relating to children with *(a)* ADHD and *(b)* ME/CFS. [39865]

Mr. Boateng *[holding answer 27 April 1998]:* Following the publication of the Green Paper "Excellence for all children; meeting special education needs" and the many comments it stimulated, officials from the Department are working closely with the Department for Education and Employment (DfEE) on services for all children with special needs. The Department is represented on the National Advisory Group for Special Educational Needs and a joint policy group will meet for the first time in May.

Our aim is to ensure that the various strands of our policy affecting young people and the initiatives being taken to improve services are mutually supportive and address children's needs in a coherent and coordinated way. Attention deficit hyperactivity disorder (ADHD) issues, for example, are discussed with the DfEE in the context of special educational needs and healthy schools and with the Home Office in relation to youth offending matters. The Department expects to meet the Myalgic Encephalomyelitis Association, possibly with other Government Departments, to discuss children's issues.

SOCIAL SECURITY

Winter Fuel Payments

Mr. Duncan Smith: To ask the Secretary of State for Social Security how many people have not received their winter fuel payments. [39713]

Mr. Denham: Winter Fuel payments are one of a number of initiatives the Government have taken to help vulnerable people, especially the elderly, keep warm in the winter. A total of £400 million has been committed for two years (1997–98 and 1998–99), to help pensioners with fuel bills to pay. This is the first time any Government have provided additional help with heating costs to all pensioners living in the United Kingdom who receive a retirement pension or one of a number of other qualifying benefits.

The making of last winter's payments was an enormous and unprecedented exercise. In order to establish all eligible pensioners, correctly identify pensioner households, and determine the amount each should receive, it was necessary to correlate data in around 15 million computer records, involving 15 qualifying benefits, across nine computer systems. Overall, almost ten million pensioners, in over seven million households, received a payment.

The administration of winter fuel payments is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Iain Duncan Smith, dated 30 April 1998:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking how many people have not received their winter fuel payments.

All eligible pensioners should now have received their payments. If someone has not received a payment, but is expecting one, he or she should contact the office which normally deals with their pension or benefit, or alternatively, call the dedicated helpline set up to deal with winter fuel payment enquiries (telephone 0645 151515).

Out of the six million payments issued to the Post Office, we are aware that a number have still not been collected. Based on contact with a limited number of the 20,000 Post Offices in Great Britain, it was estimated last week that around 100,000 payments may still have not been collected. The Post Office have been instructed to return all payments to the nearest Benefits Agency (BA) office on 1 May. On receipt of those unclaimed girocheques, the BA will follow up each case and make every effort to ensure any amounts still due are paid promptly.

Thank you for the opportunity to explain the position.

Child Support (Falkirk Case)

Mr. Hinchliffe: To ask the Secretary of State for Social Security if she will arrange for a constituent (CSA reference 1006328122) to meet senior officials of the Child Support Agency, in Falkirk, in order to conclude outstanding disagreements over the handling of his case. [39416]

Mr. Keith Bradley: One of our key aims for the Child Support Agency is to ensure that more absent parents pay the maintenance they owe. The regular payment of maintenance is central to our strategy as recognition of fathers' continuing responsibilities to their children; to help lone mothers move off income support into work; and to get more money to children in low income working families.

Whenever it is appropriate the Child Support Agency offers local interviews to resolve customers' difficulties, and restructuring by the Agency will allow it to offer significantly more face to face contact in a greater range of locations.

For reasons of confidentiality for both the absent parent and the parent with care, the Chief Executive of the Child Support Agency, Mrs. Faith Boardman, will write to the hon. Member separately.

Benefit Integrity Project

Mr. Wigley: To ask the Secretary of State for Social Security how many individual cases have been reviewed under the Benefit Integrity Project; how many of these cases have now been concluded; of the cases concluded, in how many instances benefit has been *(a)* terminated and *(b)* reduced; and if she will make a statement. [39755]

Mr. Denham: The Benefit Integrity Project aims to ensure that those in receipt of Disability Living Allowance are entitled to it. While it is right to check that people are receiving the correct amount of benefit, we are determined that those checks should be undertaken as sensitively as possible. Also, we must ensure that all decisions taken as a result of the project are right. We have, therefore, acted to introduce an extra safeguard to improve the quality of, and the confidence in, benefit decisions made by the project.

The administration of the Benefit Integrity Project is a matter for Peter Mathison, the Chief Executive of the Benefits Agency. He will write to the right hon. Member.

Letter from Peter Mathison to Mr. Dafydd Wigley, dated 5 May 1998:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking how many individual cases have been reviewed under the Benefit Integrity Project, how many of these cases have now been concluded: of the cases concluded, in how many instances benefit has been (a) terminated and (b) reduced, and if she will make a statement.

The BIP is looking again at designated DLA beneficiaries' current care and mobility needs. Information is collected through a programme of visits and postal enquiries. Selection of customers to receive either a visit or a postal enquiry is done monthly, on a random basis, by computer scan. The customers involved are those with awards of the higher rate of the mobility component combined with either the highest or the middle rate of the care component. During the period covered by the BIP, some time restricted awards in the above categories have expired and fallen due for renewal. They would have been subject to re-examination in the normal way.

As at 31 January 1998, under the Benefit Integrity Project, a total of 159,846 cases (including 25,365 renewal cases) have been selected to receive either a visit or a postal questionnaire or, in the case of renewal cases, have been identified as requiring further evidence. As at 31 January 1998, 54,839 cases have been concluded. Of these, 1,299 have resulted in an increase in benefit, 42,730 have remained unchanged, 6,884 have resulted in a reduction in benefit and 3,926 have resulted in benefit being stopped. The total included 10,811 renewal cases of which 334 resulted in an increase in benefit, 5,601 remained unchanged, 2,907 resulted in a reduction in benefit and 1,969 resulted in benefit being stopped.

A monthly statistical report can be found in the House of Commons Library.

I hope that you find this reply helpful.

Benefits Agency

Mr. Donohoe: To ask the Secretary of State for Social Security, pursuant to her answer of 21 April 1998, *Official Report*, column *606*, if the initiatives her Department is undertaking within the Benefits Agency involving the private sector include debt management and debt collecting; what feasibility and pilot studies have been undertaken involving the private sector in these functions; and what plans she has to contract out these operations. [40604]

Mr. Keith Bradley: The administration of the Benefits Agency is a matter for its Chief Executive, Peter Mathison. He will write to my hon. Friend.

Letter from Peter Mathison to Mr. Brian Donohoe, dated 5 May 1998:

The Secretary of State for Social Security has asked me to reply to your recent parliamentary question asking, pursuant to her Answer of 21st April, if the initiatives her Department is undertaking within the Benefits Agency (BA) involving the private sector include debt management and debt collecting; what feasibility and pilot studies have been undertaken involving the private sector in these functions; and what plans she has to contract out these operations.

Three of the BA's Area Directorates are currently working in partnership with three private sector consortia as part of the ADAPT 98 project. The partnership began on 13 August 1997 and will last for up to 12 months. During this partnership period, the private sector partners' primary activity is to gain a full understanding of BA operations and to formulate proposals for improvements in service delivery. Debt management and debt collecting are a core part of the BA's business and if any proposals relating to this area are to be made by the ADAPT partners, they will be contained within their proposals expected by the end of the partnership period.

A pilot study was conducted by two private sector companies between March and December 1996. This was to assess debt recovery's suitability for market testing, with particular emphasis on political sensitivity, confidentiality of information and standards of conduct. The conclusion was that BA debtors and the wider public had no undue concerns about the use of private contractors.

As yet no decision has been made to involve the private sector in debt management or debt recovery work in the BA.

I hope that this is helpful.

Payment Cards

Mr. Rendel: To ask the Secretary of State for Social Security (1) if she will list the benefits to be paid through the operation of smartcards; [41012]

(2) when she expects ICL to complete installation of the central computer system to all post offices to allow use of the plastic smartcards for the payment of benefits; [41013]

(3) which computer services companies other than ICL have approached her Department; and which computer services companies other than ICL her Department has approached to install computer systems to allow payment of benefits through smartcards at post offices; [41014]

(4) how many post offices have had the central computer system installed to allow operation of smartcards for benefit payments. [41015]

Mr. Field: The Payment Card is a magnetic stripe card and not a smart card. It holds very little personal data and provides a key to enable the post office staff to access the payment data. It is therefore highly secure. All benefits, pensions and allowances administered by this Department and its agencies will be payable by the Payment Card for those customers who wish to collect their money at the post office.

The contract to automate post offices and develop a benefit Payment Card was awarded to ICL Pathway in May 1996 following an extensive competitive procurement in accordance with EC regulations and Government good practice. Since the award of the contract no other major computer services company has approached the Department to install the computer systems to enable the payment of benefits at post offices. Neither has the Department approached any computer services company to install computer systems to enable the payment of benefits at post offices.

Presently 205 post offices in the North East and South West of England have been automated and are paying Child Benefit by Payment Card as part of a limited trial. Current plans provide for all post offices to be automated and ready to use the Payment Card by the end of 2000.

Pensioners (Income)

Mr. Webb: To ask the Secretary of State for Social Security what percentage of the total income of adults over state pension age comes from state social security benefits, including state pensions. [41063]

Mr. Denham: Information is not available in the format requested. However, 47 per cent. of the mean gross income of benefit units with at least one member over State pension age comes from State Social Security benefits.

Notes:

1. This estimate is based on the 1995–96 Family Expenditure Survey using income definitions employed in the Pensioners' Incomes Series.
2. For the purposes of answering this question, a benefit unit is defined as a single adult or a couple, where at least one member is over State pension age.

Correspondence

Mr. Winnick: To ask the Secretary of State for Social Security when the hon. Member for Walsall, North will receive a substantive reply to his letter of 11 March (ref: POS(X) 3644/26) which was referred to the Benefits Agency, and which has now been returned to her Department for ministerial reply. [40934]

Mr. Field: A reply was sent to my hon. Friend on 6 May 1998.

Child Benefit

Mr. Rendel: To ask the Secretary of State for Social Security how much child benefit is currently awarded on behalf of children aged *(a)* under five and *(b)* 16 and 17 years of age. [41064]

Mr. Keith Bradley: The information is set out in the table.

£ million

	Expenditure on Child Benefit and One Parent Benefit
Children aged under 5 years	1,868
Children aged 16 and 17 years	621

Notes:

1. The figures are for 1996–97, the latest available.
2. The figures are consistent with the Departmental Report 1998 (Cm 3913).
3. Includes figures for One Parent Benefit which was amalgamated with Child Benefit from April 1997. One Parent Benefit expenditure has been assigned to the age group according to the age of the eldest child.

MINISTER WITHOUT PORTFOLIO

Millennium Dome (Works of Art)

Mr. Mitchell: To ask the Minister without Portfolio if he will make a statement on the procedure whereby works of art will be selected for inclusion in the Millennium Dome. [38454]

Mr. Mandelson: I refer my hon. Friend to the answer I have him on 19 March 1998, *Official Report*, column *676*.

Millennium Dome (Air Conditioning)

Mr. Fearn: To ask the Minister without Portfolio if he will list the chemicals to be used in the air conditioning system of the Millennium Dome. [39727]

Mr. Mandelson: I refer the hon. Member to the answer I gave the hon. Member for Lewes (Mr. Baker) on 17 March 1998, *Official Report*, column *602*.

DUCHY OF LANCASTER

Citizens Charter

11. **Mr. Gordon Prentice:** To ask the Chancellor of the Duchy of Lancaster what plans he has to extend the citizens charter initiative within central Government. [39800]

Mr. Kilfoyle: The Citizens Charter initiative applies across the public sector and to those privatised utilities operating in a monopoly position. We intend to relaunch the programme later in the year to ensure that it delivers the real improvements in service delivery that people want.

Electronic Information

12. **Mrs. Humble:** To ask the Chancellor of the Duchy of Lancaster what steps he has taken to permit individuals to supply information electronically to Government. [39801]

Dr. David Clark: Last December, we launched the Intelligent Form project, which converts what were once six paper forms on notification of self-employment into one electronic form, and in so doing enables individuals to supply several departments with information simultaneously via the Internet.

The intelligent form is an example of our "Better Government" programme in action, working across public and private boundaries to focus on a particular life episode.

Freedom of Information

13. **Ann Clwyd:** To ask the Chancellor of the Duchy of Lancaster if he will make a statement on the planned time scale for implementing his Freedom of Information proposals. [39802]

Dr. David Clark: It is our hope to publish a draft Bill before the summer, which will continue the consultation process started with the White Paper *Your Right to Know*. In the light of comments on this, a Bill will be introduced into Parliament as soon as the legislative timetable permits.

16. **Mr. Baker:** To ask the Chancellor of the Duchy of Lancaster in what ways his proposals for freedom of information will improve public accountability of departmental political advisers. [39805]

Dr. David Clark: Openness and access to information are the key to public accountability. This Government were the first to make clear in a public document the roles and responsibilities of Special Advisers. A copy of this document—the Model Contract for Special Advisers—is in the Library of the House. Departmental political advisers are covered by our proposals for opening up the work of Government through a Freedom of Information Act.

19. **Mr. Connarty:** To ask the Chancellor of the Duchy of Lancaster what recent discussions he has had on his freedom of information proposals. [39809]

23. **Dr. Tony Wright:** To ask the Chancellor of the Duchy of Lancaster what recent discussions he has had on the White Paper on freedom of information. [39813]

Dr. David Clark: Freedom of Information was among the topics I discussed at recent meetings with the General Secretaries of the Council for Civil Service Unions on Wednesday 25 March, and Chris Miles, the Parliamentary Secretary to the Australian Prime Minister, on Wednesday 22 April.

24. **Mr. Paterson:** To ask the Chancellor of the Duchy of Lancaster if he will make a statement on the representations he has received on the freedom of information White Paper. [39814]

Dr. David Clark: I refer the hon. Member to the answer I gave to my hon. Friend the Member for Middlesborough, South and Cleveland, East (Mr. Kumar) on 1 April 1998, *Official Report*, column *588*.

Leak Inquiries

14. **Mr. Ruffley:** To ask the Chancellor of the Duchy of Lancaster what is his policy towards conducting leak inquiries within his Department; and if he will make a statement. [39803]

Mr. Kilfoyle: I deplore leaks, and my department investigates actual or apparent instances by the most appropriate means.

Duchy of Lancaster (Income)

15. **Mr. Canavan:** To ask the Chancellor of the Duchy of Lancaster what was the income from the Duchy of Lancaster for 1997–98. [39804]

Dr. David Clark: Duchy accounts for the year ending 31 March 1998 are being prepared. Following audit, they will be printed and laid in the Library of the House during July.

Public Servants (Communication Skills)

17. **Mr. Sheerman:** To ask the Chancellor of the Duchy of Lancaster what steps he is taking to improve the communication skills of public servants. [39806]

Mr. Kilfoyle: The Government recognise the importance of ensuring that civil servants are skilled communicators. The Investors in People standard, which all Civil Service departments and agencies are aiming to achieve by the year 2000, recognises communication as a core organisational skill. In departments' and agencies' performance management systems, communication is a key competence at all levels. Additionally, my department facilitates a network for internal communication specialists.

Government (Access)

18. **Liz Blackman:** To ask the Chancellor of the Duchy of Lancaster how he intends to use new technology to improve access to Government. [39808]

Dr. David Clark: Our Better Government programme recognises the need to regenerate public services and to deliver government services in an entirely new way.

It will:

enable people to use services when and where it is convenient to them, and get near instantaneous responses in many cases;

provide easy to use public access terminals in places such as post offices, libraries, and shopping centres at the electronic one-stop-shops; and

replace form filling with helpful dialogues.

Public Appointments

20. **Mrs. Lait:** To ask the Chancellor of the Duchy of Lancaster what plans he has to increase the effectiveness of the public appointments unit. [39810]

Dr. David Clark: The Government are committed to encouraging a wide range of candidates to apply for public appointments. The recent paper on *Opening up Quangos* consulted on how this might be achieved, and a follow-up paper will be published in due course.

The Public Appointments Unit has an important role to play as a source of potential candidates for public appointments, and it is committed to increasing the proportion of potential women and ethnic minority candidates held on its records. The Unit therefore works closely with departments and other organisations to ensure that the service it provides meets the needs of potential candidates and of departments seeking to fill appointments.

Elderly People (Government Service Delivery)

21. **Dr. Desmond Turner:** To ask the Chancellor of the Duchy of Lancaster what proposals he has to improve the delivery of Government services to the elderly. [39811]

Mr. Kilfoyle: I announced 28 local pilot projects across the UK to develop, test and evaluate how we can take better account of older people's wishes in the delivery of public services—to make those services more user-friendly and to help older people remain independent. The pilots will be launched at a conference on 5 June and will initially run for two years.

Better Government White Paper

22. **Mr. Bennett:** To ask the Chancellor of the Duchy of Lancaster when he plans to publish the Better Government White Paper. [39812]

Dr. David Clark: I hope to publish the Better Government White Paper in the summer.

Electronic Service Delivery

25. **Mr. Quinn:** To ask the Chancellor of the Duchy of Lancaster if he will make a statement on his proposals for the electronic delivery of Government services. [39815]

Dr. David Clark: The Government are determined to ensure that the information revolution benefits the many and not just the few. New technology will underpin how we relate to local communities, citizens and businesses large and small. And developments in IT offer great scope for these relations to be improved and extended in all sorts of ways.

The forthcoming White Paper on *Better Government* will include further details.

Civil Servants

26. **Mr. Clifton-Brown:** To ask the Chancellor of the Duchy of Lancaster what disciplinary powers are available in respect of senior civil servants and heads of Government agencies who are deemed to be incompetent or negligent. [39816]

Dr. David Clark: The disciplinary powers in respect of senior civil servants and heads of agencies are no different from those applicable to other civil servants. The principles for handling disciplinary cases are set out in the Civil Service Management Code. This requires departments and agencies to ensure that staff are aware of the disciplinary procedures which apply and the circumstances in which they may be invoked. The sanctions applied as a result of disciplinary proceedings are a matter for the department or agency concerned to determine in the light of the circumstances of each case.

New Technology

27. **Mr. Dismore:** To ask the Chancellor of the Duchy of Lancaster what steps he has taken to use new technology to improve communication between Government departments. [39817]

Dr. David Clark: The Government Secure Intranet (GSI) was officially launched on 21 April.

This new service will provide both the infrastructure that will allow previously independent Government computer systems to link together securely and a well-protected access point to the Internet. It should be possible for the bulk of major Departments to be connected during the course of this year.

The GSI is a vital component in our plans for Better Government. It is the technical key that will make the vision of seamless delivery of Government services a reality. It will revolutionise the way Government Departments work together to make sure that people get the quality services they deserve simply and quickly.

Departmental Openness

28. **Mr. Andy King:** To ask the Chancellor of the Duchy of Lancaster what steps he has taken to make his Department more open. [39818]

Dr. David Clark: The proposals in the White Paper "Your Right to Know" (Cm 3818) will open up not just my Department but the whole of Government. I intend that my Department will set an example in terms of openness and transparency. I have already published the background material relating to the preparation of the White Paper and undertaken the first of two public consultations on its proposals. All of the relevant documents are available both in paper form and on the Internet.

I have appointed a Webmaster to improve the quality and scope of the Cabinet Office Internet site and have set up a "virtual" e-mail based seminar to debate the issues surrounding Better Government. I am setting up a People's Panel to consult and involve members of the public in issues relating to the provision of public services.

Information Technology (Ministers)

Mr. Kirkwood: To ask the Chancellor of the Duchy of Lancaster what steps he has taken to provide Government ministers with IT equipment for their official duties; and how many have acquired such equipment to date. [39807]

Dr. David Clark: The prototype electronic red box, which I demonstrated in January, shows the possibilities for Ministers to take advantage of modern Information Technology, and the potential for reducing the time and effort needed to fill and transport old-style boxes.

We are upgrading the prototype to take account of the latest developments in IT. I expect Ministers that wish to use the operational version will be able to do so later this year.

Written Answers to Questions

Thursday 7 May 1998

DEFENCE

Multiple-launch Rocket System

Mr. Brazier: To ask the Secretary of State for Defence if he will list the artillery units and sub-units of the *(a)* Regular Army and *(b)* Territorial Army equipped with MLRS, giving (i) the peacetime strength and (ii) the actual strength in each case. [40662]

Dr. Reid: The artillery units and sub-units of the Regular Army equipped with MLRS are as follows:

Units

32 Regiment Royal Artillery
- Establishment: 588
- Actual Strength: 488

39 Regional Royal Artillery
- Establishment: 588
- Actual Strength: 521

Sub-Units of 32 Regiment RA

18 Battery
- Establishment:122
- Actual Strength: 91

74 Battery
- Establishment: 122
- Actual Strength: 84

Sub-Units of 39 Regiment RA

132 Battery
- Establishment: 122
- Actual Strength: 99

176 Battery
- Establishment: 122
- Actual Strength: 85

The Artillery units and sub-units of the Territorial Army equipped with MLRS are as follows:

Unit

101 Regiment Royal Artillery (Volunteers)
- Establishment: 472
- Actual Strength: 418

Sub-Units of 101 Regiment RA (V)

203 Battery
- Establishment: 106
- Actual Strength: 90

205 Battery
- Establishment: 106
- Actual Strength: 69.

Maritime Volunteer Service

Shona McIsaac: To ask the Secretary of State for Defence if the Royal Navy will give formal recognition to the Maritime Volunteer Service; and if he will make a statement. [41376]

Dr. Reid: In line with the Royal Navy's policy of fostering links with maritime organisations in the civilian community, they have today formally recognised the Maritime Volunteer Service, MVS. This recognition reflects the contribution of the MVS to the education and training of young people in nautical skills. The Royal Navy will advise the MVS on various maritime matters, including RN career opportunities. The Royal Navy's closer association with the MVS will also contribute to the Government's "New Deal" initiative by enriching the pool of training opportunities in the community, thus assisting young people to gain employment.

Ship Repair Contracts

Mr. Beggs: To ask the Secretary of State for Defence if he will list the ship repair contracts awarded to each United Kingdom shipyard in each of the last five years. [39304]

Mr. Spellar: I am arranging for a list of the ship repair contracts awarded to each United Kingdom shipyard in the last five financial years to be placed in the Library of the House. I have restricted the list to those contracts with a value of £100,000 or more. Below this level, the contracts, estimated to be over 400 in number, tend to be for much smaller packages of work on small craft, some with a value as low as £100. The list includes contracts for work allocated to the Royal Dockyards at Devonport and Rosyth as well as those placed following competition.

Astra Group

Mr. Campbell-Savours: To ask the Secretary of State for Defence on what dates Iraqi military personnel entered the United Kingdom to attend training sessions at Astra Company training facilities. [38861]

Mr. Spellar *[holding answer 20 April 1998]:* I refer my hon. Friend to paragraph D7.92 of the right hon. Sir Richard Scott's Report of the Inquiry into the Export of Defence Equipment and Dual-Use Goods to Iraq and Related Prosecutions.

Military Assistance

Ann Clwyd: To ask the Secretary of State for Defence if he will list each of the countries in receipt of United Kingdom military assistance for each of the past 10 years and the annual cost of assistance to each country. [40388]

Dr. Reid: I will write to my hon. Friend and a copy of my letter will be placed in the Library of the House.

Territorial Army

Mr. Baldry: To ask the Secretary of State for Defence what is the average percentage of soldiers who leave the TA within one month of joining; and if he will list the 10 TA units with the *(a)* best and *(b)* worst retention record over the last three years. [40924]

Dr. Reid: I will write to the hon. Member and a copy of my letter will be placed in the Library of the House.

Chevaline Warheads

Mr. Matthew Taylor: To ask the Secretary of State for Defence how many Chevaline warheads from Polaris submarines have so far been dismantled; by what date

his Department expects to complete dismantling all the Chevaline warheads; and if he will make a statement. [40815]

Dr. Reid: Chevaline warheads are currently held in secure storage in a non-operational state. The Polaris missiles on which they were formerly deployed have all been destroyed. Dismantlement of Chevaline warheads will commence on completion of the current programme of WE177 dismantlement. I am withholding details of warhead dismantlement plans under Exemption 1 of the Code of Practice on Access to Government Information relating to Defence, Security and International Relations.

Defence Council and Air Force Board

Mr. Matthew Taylor: To ask the Secretary of State for Defence on what dates *(a)* the Defence Council and *(b)* the Air Force Board have met since 1 August 1997. [40669]

Dr. Reid: The Defence Council has met on the following dates since 1 August 1997.

24 September 1997

27 November 1997

18 December 1997

26 January 1998

23 February 1998

2 April 1998.

The Air Force Board has not met since 1 August 1997. It last met on 17 July 1997 and will next meet on 17 June 1998.

Strategic Defence Review

Mr. Matthew Taylor: To ask the Secretary of State for Defence when he plans to place in the Library the digest of the submission by Service and Ministry of Defence civilian personnel to the Strategic Defence Review. [40667]

Dr. Reid: A digest of submissions by Service and Ministry of Defence civilian personnel to the Strategic Defence Review is being prepared to support the White Paper which will set out the conclusions of the Review. The digest will be placed in the Library of the House when the White Paper is published. We shall also be offering copies of the digest to the same libraries to which we are offering copies of external submissions to the Review.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Electric Railbus, Bristol

Mr. Dalyell: To ask the Secretary of State for the Environment, Transport and the Regions what assessment his Department has made of the Ultra Light Transit Electric Railbus scheme recently introduced in Bristol in terms of its *(a)* cost and *(b)* environmental impact; and if he will make a statement. [41094]

Ms Glenda Jackson: No application has been made to my Department for funding, or for powers under the Transport and Works Act 1992, for this scheme and therefore no assessment has been done of its costs or environmental impact.

Watford Rail Crash

Mr. Efford: To ask the Secretary of State for the Environment, Transport and the Regions what action he is taking to ensure that Railtrack respond to the recommendations of the Health and Safety Executive's report on the Watford rail crash. [40904]

Ms Glenda Jackson: The Health and Safety Executive will follow up all the recommendations contained in its report on the Watford rail crash. HSE has asked Railtrack for a formal response within two months.

Automatic Train Protection System

Mr. Efford: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the benefits of the automatic train protection system. [40905]

Ms Glenda Jackson: My right hon. Friend the Minister for Transport has made it clear to the Chairman of the Health and Safety Commission that he should produce any formal proposals that he considers necessary on train protection systems. I understand that HSE officials are working on such proposals with a view to publication in the near future.

Rail Users (Complaints)

Mr. Efford: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the report from the Southern Region Rail Users consultative committee on complaints for the year ending March 1998; and what action he intends to take to ensure services are improved. [40907]

Ms Glenda Jackson: The latest complaint figures from the Southern England Committee point to increasing passenger dissatisfaction with train operators' performance. It is clear that passengers are still not getting the best deal from the privatised railway. Our forthcoming White Paper on integrated transport will explain how we intend to improve the performance and accountability of the railway system.

Trains Near-miss (Cannon Street)

Mr. Efford: To ask the Secretary of State for the Environment, Transport and the Regions if he will establish a public investigation into the near head-on collision between two commuter trains at Cannon Street Station on 30 April 1998. [40906]

Ms Glenda Jackson: The Health and Safety Executive's (HSE's) Railway Inspectorate commenced an independent investigation on the morning of 30 April, when this incident occurred. HSE's investigation is continuing and it is too early to speculate about the causes. HSE will make its findings and recommendations known in due course.

English Regional Assemblies

Mr. Heathcoat-Amory: To ask the Secretary of State for the Environment, Transport and the Regions (1) if the caps on local authority expenditure will be adjusted to allow for the funding of local authority regional assemblies in England; [40848]

(2) if additional Government funding will be made available to cover the costs of local authority regional assemblies in England. [40849]

Ms Armstrong: The Government have made it clear that 1998/99 will be the last year of crude and universal capping. A consultation paper on Improving Local Financial Accountability was published on 30 March and looks at what new arrangements may need to be put in place. We expect the costs of non-statutory regional chambers to be modest and to be met from within existing budgets. Funding for directly elected regional assemblies will be considered as part of any future proposals for them to be created.

Crossrail

Mrs. May: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will publish the terms of reference of the current Railtrack study of the crossrail project; [41003]

(2) when he expects Railtrack to complete their detailed study of the crossrail project; and if he will publish the results of the study. [41005]

Ms Glenda Jackson: The terms of reference for Railtrack's study of the crossrail project were broadly expressed, with Railtrack being asked in particular to consider what proposals they could put forward for reducing the size of the public sector contribution for the scheme, and on possible arrangements for private sector finance.

It was originally hoped that Railtrack's reply would be received in 1997. This did not prove possible but a response is expected later this year.

Any material received will be treated in line with the Government's code of practice on access to Government information.

Rough Sleepers

Mr. Nicholls: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the number of rough sleepers in London in each of the last five years for which figures are available; and what forecasts he has made of numbers in future years. [40889]

Mr. Raynsford: In the context of the Rough Sleepers Initiative, voluntary sector homelessness organisations, co-ordinated by Homeless Network who receive some of their funding from my Department, undertake regular single night head counts in parts of central London where rough sleeping is a major problem. Other parts of London may have been covered by one-off-single night counts of people sleeping rough but no reliable data exist for those areas showing trends over time. The figures for central London areas where regular counts have taken place are as follows:

Area	*May 1997*	*November 1996*	*May 1996*	*May 1995*	*May 1994*	*June 1993*	*March 1992*
Strand/West End	118	140	128	138	123	157	104
Victoria	58	44	56	41	26	28	36
Waterloo/Bullring	46	57	55	44	57	72	121
South Camden	60	45	49	47	62	101	179
Total	282	286	288	270	268	358	440
W1/W2	46	28	25	—	—	—	—
Whitechapel/City	39	43	58	77	48	—	—

My Department does not make forecasts of numbers who may be sleeping rough in future years, but we remain committed to the objective or reducing rough sleeping to as near zero as possible.

Departmental Research

Dr. Starkey: To ask the Secretary of State for the Environment, Transport and the Regions (1) what percentage of applications from women, in relation to his Department's research budget, were successful for *(a)* project grants, *(b)* programme grants, *(c)* special grants intended for new investigators, *(d)* studentships and *(e)* fellowships, in 1997 and each of the two previous years; [40882]

(2) what percentage of applications, in relation to his Department's research budget, were from women, for *(a)* project grants, *(b)* programme grants, *(c)* special grants intended for new investigators, *(d)* studentships and *(e)* fellowships, in 1997 and each of the two previous years. [40883]

Angela Eagle: Research under the DETR Research Programme is carried out under contract and procured as far as possible by competitive tender. Contractors are generally teams with a principal investigator, rather than single individuals. Records often show only initials or professional titles of contract team members. It would entail unreasonable costs to inquire in retrospect about the sex of all contract team members for the last 3 years

Road Projects (Devon and Cornwall)

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions what has been the total cost of new road projects authorised by him since 1 May 1997 in *(a)* Devon and *(b)* Cornwall. [40834]

Ms Glenda Jackson: My Department has not accepted any major new road local authority road schemes for funding in either Devon or Cornwall since 1 May 1997. It is open to authorities to fund minor new road projects (those costing up to £2 million) using the resources allocated to them for transport packages. Information on the use they are making of these resources will not be available until they submit their Transport Policies and Programme bids in June. All resources allocated for local safety schemes are for use on road improvements at locations where there is a record of accidents. The following table summarises allocations made to councils in the Devon and Cornwall areas under those headings as part of the local transport capital settlement for 1998–99:

Authority	*Minor works: transport packages*	*Minor works: local safety schemes*	*Total allocation: minor works*
Devon	800	414	1,214
Torbay[1]	0	62	62
Plymouth[1]	750	201	951
Cornwall	500	494	994
Totals	2,050	1,171	3,221

[1] Unitary authorities within the Devon county area.

No new road schemes have been authorised in the national roads programme in Devon or Cornwall since 1 May 1997.

Rail Electrification

Mr. Gareth R. Thomas: To ask the Secretary of State for the Environment, Transport and the Regions how many miles of track have been electrified each year *(a)* in total and *(b)* broken down by region, for each of the last 10 years on record. [41058]

Ms Glenda Jackson: The information is listed in the table.

Year	*Route miles electrified*[1]	*Region*[2]
1988/89	105	—
1989/90	106	—
1990/91	227	—
1991/92	−16	—
1992/93	15	—
1993/94	36	—
1994/95	0	n/a
1995/96	43	London North Eastern
1996/97	18	North West/East Anglia
1997/98	12	Great Western
1998/99 (to date)	4	Great Western

[1] The figures between 1988/89 and 1993/94 refer to the net change in the electrified network i.e. changes are net of any closures of any electrified routes.

[2] Information broken down by region is not readily available for the years between 1988/89 and 1993/94.

Train Derailments

Mr. Gareth R. Thomas: To ask the Secretary of State for the Environment, Transport and the Regions how many railway derailments have occurred in each year *(a)* in total and *(b)* broken down by region, for each of the last 10 years on record. [41051]

Ms Glenda Jackson: The total number of train derailment is shown in the table. Due to the changes in the organisation of the railways (including changes to boundaries) over the last ten years, information on derailments by region is not available.

Year	*Passenger train*	*Freight train*	*Total*
1987	20	172	192
1988	28	203	231
1989	32	160	192
1990	26	157	183
1991/92	23	121	144
1992/93	30	175	205
1993/94	29	84	113
1994/95	28	121	149
1995/96	23	81	104
1996/97	27	92	119
Total	266	1,366	1,632

Further details may be found in HM Chief Inspector of Railways Annual Reports on Railway Safety in Great Britain, copies of which are available in the House Library.

Departmental Publications

Mr. Norman: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to publish *(a)* the Integrated Transport White Paper and *(b)* the Roads Review. [41078]

Ms Glenda Jackson: Work is nearing completion on the White Paper which we expect to publish in June. The Roads Review will follow.

Black Poplars

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the number of male and female Black Poplars in England; and what percentage are the subject of tree preservation orders. [40764]

Angela Eagle: This information is not collected by my Department. However, it is understood that current research being carried out at the University of Nottingham estimates that there are more than 5,000 Black Poplar trees in Britain, of which about 500 are female.

M25 (Emissions)

Mr. Mackinlay: To ask the Secretary of State for the Environment, Transport and the Regions (1) what are the maximum predictions for PM10 emissions in Egham (i) from the motorway and (ii) from all sources *(a)* in the morning peak and *(b)* as a 24-hour running average, in (1) 2000 and (2) 2010 if the M25 is widened to 10–12 lanes between Junctions 12 and 15; [40442]

(2) pursuant to his answer of 21 April 1998, *Official Report*, column *550*, on the M25, what lane capacity figure for the M25, in terms of vehicles per hour per lane, was used by the Highways Agency to calculate the weaving requirements for *(a)* the proposed widening of the motorway between Junctions 12 and 15 and *(b)* the T5 spur road; [40443]

(3) on what basis the consultants employed by the Highways Agency concluded that the readings well above the EPAQS air quality standard for PM10s recorded in Egham immediately alongside the M25 in 1994 by the St. George's Hospital Medical School were attributable to natural sources; [40444]

(4) for what reasons the consultants employed by the Highways Agency concluded there was no clearly-defined source of the PM10 pollution well above the EPAQS air quality standard that was recorded immediately alongside the M25 in Egham in 1994 by the St. George's Hospital Medical School; [40445]

(5) if he will list the natural sources which consultants employed by the Highways Agency concluded were the cause of the PM10 readings well above the EPAQS air quality standard that were recorded in Egham immediately alongside the M25 in 1994 by the St. George's Hospital Medical School; [40446]

(6) what estimate his Department has made of the peak hour PM10 levels from all sources in Egham relative to the EPAQS safety standard in (i) 2000 and (ii) 2010 if the 10–12 lane widening scheme for the M25 between Junctions 12 and 15 were implemented; [40447]

(7) what was the contribution made by natural sources to the PM10 readings recorded immediately alongside the M25 in Egham in 1994 by the St. George's Hospital Medical School; [40448]

(8) for what reasons the PM10 pollution levels recorded by the St George's Hospital Medical School in Egham in 1994 immediately alongside the M25 were not assessed by the consultants subsequently employed by the Highways Agency to produce air quality forecasts in connection with the proposed widening of the motorway. [40449]

Ms Glenda Jackson *[holding answer 6 May 1998]:* I have asked the Chief Executive of the Highways Agency, Mr. Lawrie Haynes, to write to my hon. Friend.

Letter from Lawrie Haynes to Mr. Andrew Mackinlay, dated 7 May 1998:

The Transport Minister, Glenda Jackson has asked me to reply to your recent Parliamentary Questions about the M25.

No predictions were made of PM10 emissions from all sources or as a running 24 hour average. Predictions of PM10 emissions from peak hour traffic on the M25 between Junctions 12 and 13 have been made. For the years 2000 and 2010 they are 2.5 and 1.7 kg/km/hr respectively.

The capacity used to assess the weaving predicted to occur on the motorway for the M25 Junctions 12 to 15 scheme was 1800 vehicles per hour per lane (vphpl), the nominal capacity, and this facility was checked using 2200 vphpl, the measured capacity. The capacity figures used for the assessment of the proposed Heathrow Terminal 5 Spur Road was 2120 vphpl, the measured lane capacity, and this was checked using 1800 vphpl, the nominal capacity.

The air quality survey at Egham in 1994 and the interpretation of the results was carried out by consultants employed by Runnymede Borough Council, not the Highways Agency. The report did not identify the natural sources of PM10 readings beyond reference to pollen and photochemical activity; nor did it quantify the contribution of natural sources. We have made no estimate of PM10 levels from all sources in the Egham area.

The monitoring work for St. George's Hospital Medical School was reviewed by our consultants and was referred to in the Environmental Statement published in 1996.

Green Air Conditioning

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what steps he is taking to encourage the use of greenfreeze air-conditioning systems by *(a)* the Government and *(b)* the private sector. [40549]

Angela Eagle: Hydrocarbon refrigerants, such as the Greenfreeze technology promoted by Greenpeace, are one of a number of refrigerants which may be used in air conditioning systems as an alternative to ozone depleting substances and HFCs. The Government encourage the private sector to sign up to the declaration of intent which it has agreed with the refrigeration industry. This discourages the use of HFCs for any application where a risk of high emissions exists, by promoting the use of safe, reasonably practical, environmentally acceptable and energy efficient alternatives where available.

The Government expect to announce soon a model framework for greening its own operations, which will cover best practice in air conditioning systems.

Greenhouse Gases

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what policy he will adopt in respect of the greenhouse gas HFC 134a at the Fourth Conference of the Parties of the Framework Convention on Climate Change in Buenos Aires. [40552]

Angela Eagle: Specific discussion of policies and measures for emissions reductions of individual greenhouse gases, such as HFC134a, is not expected to be on the agenda at the Fourth Conference of the Parties to the United Nations Framework Convention on Climate Change to be held in Buenos Aires in November.

However, the Government are currently considering with other European Member States, how the European Union can meet the target that was set in the Kyoto Protocol, for reducing emissions of all greenhouse gases, including HFCs. The Government will be issuing a consultation paper in the summer on how the UK proposes meeting its commitments.

DUCHY OF LANCASTER

Public Bodies

Mr. Öpik: To ask the Chancellor of the Duchy of Lancaster how many and what proportion of his Department's appointees to non-departmental public bodies are (i) aged under 25, (ii) aged 25 to 30 and (iii) aged 31 to 35 years. [40749]

Dr. David Clark: The appointments to non-departmental public bodies sponsored by my Department include appointments made by the Prime Minister, and myself. In addition, I also make appointments for a non-departmental public body sponsored by the Central Office of Information, which is a Department in its own right and which reports directly to me.

None of the appointees to my Department's non-departmental public bodies are (i) aged under 25, (ii) aged 25 to 30 or (iii) aged 31 to 35 years.

The Government are committed to encouraging a wide range of candidates to apply for positions on the boards of public bodies, reflecting the diverse society in which we live. This includes encouraging more young people to put themselves forward as potential candidates for public appointments. All appointments are made on merit, and candidates must demonstrate that they have the necessary skills and experience to match the needs of the public body on which they wish to serve.

Civil Estate

Mr. Ian Stewart: To ask the Chancellor of the Duchy of Lancaster what targets he has set Property Advisers to the Civil Estate for 1998–99. [41444]

Mr. Kilfoyle: I have set PACE the following targets for 1998–99:

(i) to identify savings from proposals to be agreed with departments for the co-ordination of property activities on the Civil Estate which in net present value terms should be at least 11 times the agency's related running costs;

(ii) to deliver on time at least 90 per cent. of the central advice unit's annual work plan;

(iii) to recover 100 per cent. of the costs of providing intelligent client services and to increase the percentage of all the agency's running costs recovered to 10 per cent.;

(iv) to dispose of 75 freeholds and leaseholds and to maintain expenditure and receipts within the voted provision;

(v) to achieve a 2.5 per cent. improvement in overall customer satisfaction for the agency's services.

Central Media Monitoring Unit

Mr. Baker: To ask the Chancellor of the Duchy of Lancaster what conclusions have been reached following the pilot of the central media monitoring unit; and if he will make a statement. [40677]

Dr. David Clark: The pilot was considered a success by its users, and the Media Monitoring Unit was established permanently from 1 April 1998. Its daily summary is available in the libraries of the House, as promised by my right hon. Friend the Prime Minister in his answer to the hon. Member for Mid-Bedfordshire (Mr. Sayeed) on 4 February 1998, *Official Report*, column *668*.

Government Information Service

Mr. Baker: To ask the Chancellor of the Duchy of Lancaster, pursuant to paragraph 57 of the report of the Working Group on the Government Information Services, what guidance has been given in respect of how bad news can be dampened down. [40675]

Dr. David Clark: Paragraph 57 of the Report concerns the inclusion in policy submissions of advice on presentational aspects, of which dampening "bad news" aspects is cited as one example. No central guidance has been given or is needed: it is the job of the Government Information and Communication Service to provide effective communication and explanation of Government policy and decisions.

Mr. Baker: To ask the Chancellor of the Duchy of Lancaster which recommendations of the report of the Working Group on the Government Information Service have been *(a)* agreed and implemented, *(b)* agreed but not yet implemented and *(c)* dismissed; and if he will make a statement. [40678]

Dr. David Clark: I refer the hon. Member to the answer given by my right hon. Friend the Prime Minister on 27 November 1997, *Official Report*, column *604*. The majority of recommendations are now being implemented and the remainder will be in due course.

Mr. Baker: To ask the Chancellor of the Duchy of Lancaster when the last internal VFM study into the Government Information Service was carried out; what were the results; and when the next study is planned. [40676]

Dr. David Clark: Each department and agency is responsible for the VFM of its own information and communications functions; in the same way as for any other part of its activities.

LORD CHANCELLOR'S DEPARTMENT

Legal Aid

Mr. Allan: To ask the Parliamentary Secretary, Lord Chancellor's Department what sums were recovered from fraudulent legal aid claimants in *(a)* 1992–93, *(b)* 1993–94, *(c)* 1994–95, *(d)* 1995–96 and *(e)* 1996–97. [40531]

Mr. Hoon: The information requested can be obtained only at disproportionate cost. Amounts recovered in respect of these cases are not recorded separately from amounts recovered by the Legal Aid Board from all assisted persons whose legal aid has been withdrawn for various reasons.

Mr. Allan: To ask the Parliamentary Secretary, Lord Chancellor's Department what estimate he has made of *(a)* the number of fraudulent legal aid claims, *(b)* the number of individuals making such claims and *(c)* the sums paid out for such claims in (i) 1992–93, (ii) 1993–94, (iii) 1994–95, (iv) 1995–96 and (v) 1996–97. [40536]

Mr. Hoon: *(a)* Information is available only on the number of detailed investigations undertaken by the Legal Aid Board of firms of solicitors involving possible fraud or abuse of the legal aid scheme. The number of cases investigated are as follows:

	Investigation of solicitors firms
1992–93	98
1993–94	106
1994–95	117
1995–96	137
1996–97	159

The Legal Aid Board has also assisted the police in their investigations of applicants for criminal legal aid who are suspected of making false declarations to obtain

a criminal legal aid order. The number of such cases where the Board has assisted in these investigations is shown in the table:

	Investigation of assisted persons
1992–93	8
1993–94	15
1994–95	25
1995–96	23
1996–97	24

(b) Information in relation to applicants of civil legal aid investigated for allegedly making a false declaration to obtain legal aid is not readily available. A section of the Benefits Agency had responsibility for investigating such allegations made against applicants but this section has now been disbanded since the Legal Aid Board took over responsibility for means assessment on 1 April 1997. The Board has not undertaken any fraud investigations against individual applicants in 1997–98.

(c) It is not possible to quantify accurately the amount of money lost because of fraud as, in all cases investigated, the claims submitted will usually contain some element of bone fide work and the percentage relating to the false claiming cannot be accurately determined. However, the Legal Aid Board will seek to recover from solicitors any costs which were considered to be either wrongly or fraudulently claimed. The amounts repaid, recouped or saved as a result of the Board's investigations were:

£

	Amount
1992–93	20,153
1993–94	143,000
1994–95	524,276
1995–96	1,180,770
1996–97	807,706

MINISTER WITHOUT PORTFOLIO

Millennium Experience

Mr. Cohen: To ask the Minister without Portfolio if he will list the proposed sites for the provision of car parking for visitors to the Millennium Experience; what assessment he has made of the impact of visitors travelling by car upon the availability of car parking spaces at London Underground stations; and if he will make a statement. [39419]

Mr. Mandelson: The New Millennium Experience Company (NMEC) is reviewing its park and ride strategy with a view to making greater use of existing car parks where there is spare capacity or which are close to rail or underground stations. The availability of car parks is being discussed with London Transport, the rail companies and others and a list will be produced and made available as soon as the review is completed.

HOME DEPARTMENT

Deportation

Mr. Gerrard: To ask the Secretary of State for the Home Department (1) how many deportation orders have been signed by Ministers since 1 October 1997; and how many removals have taken place in the same period; [40564]

(2) how many deportation orders have been signed by Ministers in each of the last six calendar years. [40565]

Mr. Mike O'Brien: The numbers of deportation orders signed by Ministers in each of the last six years are given in table 1.

The number of deportation orders signed between 1 October 1997 and 31 January 1998 was 370. Information on removals during this period is given in table 2.

Data relating to 1997 and 1998 are provisional.

Table 1: Deportation orders signed by Ministers, 1992–1997 [1,2]

	Number
1992	890
1993	1,240
1994	1,510
1995[3]	1,680
1996[3]	1,870
1997[2]	1,200

[1] Figures are rounded
[2] 1997 data are provisional
[3] Revised data

Table 2: Persons removed from the United Kingdom, 1 October 1997 to 31 January 1998[1]

	Number of Persons removed [1]
Removed as a result of deportation action [2,3]	660
Removed as a result of illegal entry action [2,4]	1,540
Removed under port procedures [2]	8,050
Total removed	10,240

[1] Data are provisional and rounded
[2] Action may have been initiated in an earlier period
[3] Includes persons who departed voluntarily after deportation action had been initiated against them
[4] Includes persons who departed voluntarily after illegal entry action had been initiated against them

Crime Figures (Mentally-ill People)

Mr. Llwyd: To ask the Secretary of State for the Home Department if he will estimate the percentage of crimes which were committed by people with mental and psychological problems in the last year for which figures are available. [38526]

Mr. Michael: The information requested is not available centrally. National statistics about offenders are categorised in terms of the type of offence committed rather than the mental and psychological problems of the offenders. The information that is held on those offenders relates to convictions and not crimes committed. No information is held on the perpetrators of crimes for which no one is convicted.

Amongst studies which have been carried out into the prevalence of mental health problems, it has been estimated that around 28,000 prisoners, both sentenced and on remand, currently have mental health problems ('Mental Disorder in Remand Prisoners' by Maden, Taylor, Brooke and Gunn and 'Mentally Disordered Prisoners' by Gunn, Maden and Swinton). The figure of 28,000 covers a very wide definition of mental health. Most of these cases would not be severe enough to warrant detention in hospital for treatment. In addition, there is no information available which can aid in assessing what proportion of these cases existed prior to admission into prison.

Information is available on offenders who are admitted to hospitals under the provisions of mental health legislation. In 1996, the number of mentally disordered offenders admitted to hospital under a court order or by direction of the Home Secretary restricting their discharge was 1,057. A further 717 offenders were given hospital orders by the courts without such a restriction.

Prisoners (Suicides)

Dr. Gibson: To ask the Secretary of State for the Home Department (1) what investigations he is undertaking into the recent suicides at Norwich prison; [40247]

(2) what assessment he has made of those groups of prison inmates most prone to suicide attempts; [40249]

(3) how many suicides there have been at *(a)* Norwich prison and *(b)* each other prison in each year since 1992, including 1998 to date; [40248]

(4) what steps he is taking to allay relatives' fears in respect of suicide attempts in Norwich prison. [40251]

Ms Quin *[holding answer 30 April 1998]:* Recent research has identified that the first 30 days into custody or after arrival at a prison, as a sentenced or remand prisoner, is a period of significantly increased risk of suicide. Thus a disproportionate number of suicides occur in local prisons. The Prison Service is, therefore, reviewing the reception and induction processes to examine how those at risk might be better identified and supported.

Also, the range of people entering prison custody includes a high proportion of individuals known to be at increased risk of suicide. These include those addicted to drugs or alcohol, those who have committed serious sexual or violent offences and those with a history of self-harm. Unfortunately, not all self-inflicted deaths are preventable, as despite staff's best efforts, some prisoners will not disclose or convey their feelings and intentions. However, we are determined to do everything possible to try and reduce the number of self-inflicted deaths in prisons.

The Prison Service actively encourages the involvement of family members in caring for those at heightened risk of suicide or self-harm wherever possible. Prison Service policy on caring for the suicidal in custody advises staff to consider carefully how families can be involved in working up a care plan for those who are considered at particular risk of suicide.

At Norwich, the relatives of prisoners under 18 are automatically informed if an incident of self-harm occurs. However, for prisoners over 18 years of age, relatives will be informed only if the prisoner gives his permission to do so. It is important that the views and wishes of prisoners are taken into account. If they do not wish their family to know of their actions we must respect their wishes.

The Prison Service conducts an internal investigation into every self-inflicted death in custody to see if there are any operational lessons to be learned. The findings of these reports are then fully considered in the light of inquest verdicts when they are known. Procedures for conducting internal investigations are currently under review, including a review of the policy of treating internal investigations as confidential.

In view of the sequence of deaths at Norwich, a review of the suicide awareness strategy at Norwich has been carried out to see what lessons can be learned in order to prevent similar tragedies recurring.

The information requested on the number of self-inflicted deaths at Norwich and other prisons since 1992 is shown in the table:

Establishment	*1992*	*1993*	*1994*	*1995*	*1996*	*1997*	*1998*
Acklington	—	—	—	1	—	—	—
Albany	—	—	1	—	—	—	—
Aldington	—	—	—	—	—	—	—
Ashwell	2	—	—	—	—	—	—
Askham Grange	—	—	—	—	—	—	—
Aylesbury	—	—	—	1	—	2	—
Bedford	—	—	1	2	—	—	—
Belmarsh	—	1	—	2	—	4	—
Birmingham	1	—	1	2	1	1	1
Blakenhurst	—	—	—	1	2	—	—
Blantyre House	—	—	—	—	—	—	—
Blundeston	—	—	—	2	—	—	—
Brinsford	1	—	1	—	1	—	—
Bristol	1	2	—	1	1	1	—
Brixton	1	1	3	—	1	2	—
Brockhill	—	—	—	—	—	—	—
Buckley Hall	—	—	—	—	1	—	—
Bullingdon	1	—	—	1	1	1	—
Bullwood Hall	—	—	—	—	—	1	—
Camp Hill	—	—	—	—	—	—	—
Canterbury	—	1	—	—	—	—	—
Cardiff	—	—	2	—	—	1	1
Castington	—	—	—	—	—	—	—
Channings Wood	—	—	—	—	—	—	—
Chelmsford	—	—	1	1	1	1	—
Coldingley	—	—	—	—	—	—	—
Cookham Wood	—	—	—	—	—	—	—
Dartmoor	—	1	1	—	2	2	—
Deerbolt	1	—	—	—	—	—	—
Doncaster	—	—	2	2	1	—	2
Dorchester	1	—	—	—	2	—	—
Dover	—	—	—	1	—	1	—
Downview	—	—	—	1	—	—	—
Drake Hall	—	—	—	—	—	—	—
Durham	2	1	—	—	1	2	—
East Sutton Pk	—	—	—	—	—	—	—
Eastwood Park	—	—	—	—	—	—	—
Elmley	1	—	1	—	—	—	2
Erlestoke	—	—	—	2	—	—	—
Everthorpe	—	—	—	—	—	—	—
Exeter	—	4	1	2	1	1	—
Featherstone	—	—	—	1	—	—	—
Feltham	2	—	—	—	1	2	—
Ford	—	—	—	—	—	—	—
Frankland	—	—	—	1	—	—	—
Full Sutton	—	1	—	1	1	1	—
Garth	—	—	1	1	—	3	—

Establishment	1992	1993	1994	1995	1996	1997	1998
Gartree	1	—	1	—	1	1	—
Glen Parva	1	—	—	—	2	1	—
Gloucester	—	—	—	1	—	—	—
Grendon	—	—	2	1	—	1	—
Guys Marsh	—	—	—	—	—	—	—
Haslar	—	—	—	—	—	—	—
Hatfield	—	—	—	—	—	—	—
Haverigg	—	—	—	1	—	1	—
Hewell Grange	—	—	—	—	—	—	—
Heighdown	—	1	1	4	2	3	—
Highpoint	—	—	—	—	—	—	—
Hindley	1	1	—	—	—	2	—
Hollesley Bay	—	—	—	—	—	—	—
Holloway	1	1	—	2	1	—	—
Holme House	—	2	—	—	1	2	—
Hull	2	1	2	1	2	2	1
Huntercombe	—	—	—	—	—	—	—
Kingston	—	—	—	—	—	—	—
Kirkham	—	—	—	—	1	—	—
Kirklevington	—	—	—	—	—	—	—
Lancaster	—	—	—	—	—	—	—
Lancaster Farms	—	—	—	—	—	1	—
Latchmere House	—	—	—	—	—	—	—
Leeds	2	2	1	1	1	2	4
Leicester	1	3	3	1	1	—	—
Lewes	1	1	—	1	1	2	1
Leyhill	—	—	—	—	—	—	—
Lincoln	—	3	1	2	2	—	—
Lindholme	—	1	—	—	1	—	—
Littlehey	1	—	—	—	—	1	—
Liverpool	1	2	5	1	3	5	—
Long Lartin	1	1	1	1	2	—	—
Low Newton	—	—	2	2	—	1	1
Maidstone	1	—	—	—	—	1	—
Manchester	—	2	2	—	4	—	1
Moorland	—	—	3	—	—	—	—
Morton hall	—	—	—	—	—	—	—
The Mount	—	—	—	1	1	—	—
New Hall	—	—	1	—	—	—	—
Northallerton	—	—	—	—	—	—	1
North Sea Camp	—	—	—	—	—	—	—
Norwich	2	2	—	4	1	1	4
Nottingham	—	1	—	1	1	2	1
Onley	—	—	—	—	—	—	—
Oxford	—	—	—	—	—	—	—
Parc	—	—	—	—	—	1	—
Parkhurst	1	1	2	—	1	—	—
Pentonville	4	—	—	2	2	—	—
Portland	—	—	1	—	1	—	—
Preston	—	—	1	1	2	3	1
Pucklechurch	—	—	—	—	—	—	—
Ranby	—	—	—	—	—	—	—
Reading	—	—	—	—	—	—	2
Risley	—	—	1	—	1	2	—
Rochester	—	—	—	—	1	—	—
Send	—	—	—	—	—	—	—
Shepton Mallet	—	1	—	—	—	—	—
Shrewsbury	—	—	1	—	1	—	1
Stafford	1	—	—	—	—	—	—
Standford Hill	—	—	—	—	—	—	—
Stocken	—	—	—	—	1	—	—
Stoke Heath	—	—	—	—	—	—	—
Styal	1	—	—	—	—	—	—
Sudbury	—	—	—	—	—	—	—
Swaleside	1	—	1	—	—	—	—
Swansea	—	—	1	1	—	1	—
Swinfen Hall	—	—	—	—	2	1	—
Thorn Cross	—	—	—	—	—	—	—
Usk	—	—	1	—	—	—	—
The Verne	—	—	1	—	—	—	—
Wakefield	1	3	1	1	—	—	—
Wandsworth	—	2	4	—	1	—	1
Wayland	—	—	—	—	—	—	—
Wealstun	—	—	—	—	—	—	—
Wellingborough	1	—	—	—	—	—	—
Werrington	—	—	—	—	—	—	—
Wetherby	—	1	—	—	—	—	—
Whatton	—	—	—	1	—	—	—
Whitemoor	—	—	—	1	—	—	—
Winchester	—	1	1	—	2	2	1
Wolds	—	1	—	1	1	—	—
Woodhill	—	1	1	—	—	2	1
Wormwood Scrubs	1	—	4	—	1	—	—
Wymott	—	—	—	—	—	1	—
P.E.C.S.	—	—	—	—	1	2	—

[1] Figures for 1998 as at 29 April 1998

The term employed by the Prison Service to refer to an apparent suicide is "self-inflicted death". This is broader than the former definition and includes all those deaths where it is clear that the person has acted specifically to take his/her own life. It is not restricted to the official verdict from the Coroner's inquest, where verdicts of "suicide", "open" or "misadventure" may be recorded in cases where there was doubt about a person's intent to end their life.

Asylum Casework

Mr. Clappison: To ask the Secretary of State for the Home Department if the terms of reference for the study of the asylum process under the comprehensive spending review require consideration to be given to the use of information technology in dealing with asylum casework. [40636]

Mr. Mike O'Brien: As I said in my reply to the hon. Member on 28 April 1998, *Official Report*, columns *95–96*, we shall be computerising the handling of asylum casework through the implementation of the Immigration and Nationality Directorate Casework Programme. More generally, in accordance with its terms of reference the inter-departmental study has been considering ways in which all aspects of the asylum process can be made more efficient and effective. The study team has now completed its work and we are considering its findings very carefully across Government. We shall be announcing our conclusions on the way ahead at the appropriate time.

Mr. Clappison: To ask the Secretary of State for the Home Department, pursuant to his answer of 28 April 1998, *Official Report*, column *96*, when he expects the casework programme system to be used to deal with asylum casework; and on what date it was expected to be available under the plans of the previous Government. [40632]

Mr. Mike O'Brien: I refer the hon. Member to the reply I gave to the hon. Member for Sheffield, Hallam (Mr. Allan) on 22 January 1998, *Official Report*, column *633*. The dates to which I referred in that reply are being determined. I shall write to the hon. Member when a timetable has been agreed. Under the original proposal, the use of the system on asylum casework would have started before 30 April, but that date has proved unrealistic.

Constituency Sizes

Mr. Doran: To ask the Secretary of State for the Home Department what was the average number of electors per constituency in England on 16 February. [40860]

Mr. George Howarth: 69,727. The figure is derived from the parliamentary electoral registers which came into effect on 16 February 1998.

TREASURY

European Co-operative Statute

Mr. Love: To ask the Chancellor of the Exchequer what progress is being made in reaching agreement with the member states of the EU regarding the establishment of a European co-operative statute; and if he will make a statement. [41081]

Mrs. Liddell *[holding answer 6 May 1998]:* There has been little recent progress with the draft European Co-operative Statute, following earlier discussions which indicated there was insufficient support for the proposal amongst a number of Member States.

Taxation

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if he will estimate the net cost to the Exchequer in 1999–2000 of *(a)* increasing the personal income tax allowance to £10,000 per annum, *(b)* abolishing the 20 per cent. tax band, *(c)* abolishing the capital gains tax exempt amounts, *(d)* abolishing the age-related personal allowances, *(e)* abolishing the married couple's tax allowance, *(f)* abolishing mortgage interest tax relief, *(g)* starting the higher rate band of income tax at taxable incomes of over £22,000 per annum and *(h)* ending the zero-rating of international passenger transport. [40378]

Dawn Primarolo *[holding answer 5 May 1998]:* The latest figures available are for 1998–99 which are shown in the table.

Exchequer effect—£billion	*yield(+)/cost(-) 1998–99 (full year)*
(*a*) Increasing the personal income tax allowance to £10,000 per annum	−29.0
(*b*) Abolishing the 20 per cent. tax band	+3.0
(*c*) Cost of the capital gains tax exempt amounts	−1.5
(*d*) Abolishing the age related personal allowances	+0.8
(*e*) Abolishing the married couple's tax allowance	+3.4
(*f*) Abolishing mortgage interest tax relief	+1.9
(*g*) Starting the higher rate band of income tax at taxable incomes of over £22,000 per annum	+2.6
(*h*) Ending the zero-rating of international passenger transport	+1.3

Notes:
(*a*) Includes aged personal allowances
(*b*) Assumes the rate of tax on income from savings remains unchanged
(*c*) This figure seeks to allow for windfall gains arising from building society and insurance company de-mutualisations, but is particularly tentative due to the uncertain level of de-mutualisation activity during this year and has been rounded to the nearest £½ billion. This estimate represents the reduction in tax liabilities from the existence of the relief and cannot generally be interpreted as the yield from withdrawing it. In practice, withdrawing a relief would often result in significant changes to taxpayers' behaviour and might require changes to other reliefs
(*d*) Includes abolishing age-related personal allowances but not the age-related married couple's allowance
(*e*) Includes abolishing both the non-aged and aged married couple's allowances, additional personal allowance and widow's bereavement allowance
(*f*) Assumes an average building society interest rate of 7.75 per cent. and includes a reduction in public spending

Electricity Charges (Northern Ireland)

Rev. Martin Smyth: To ask the Chancellor of the Exchequer what estimate he has made of the effect of the Budget on electricity charges in Northern Ireland. [38438]

Dawn Primarolo: The duty rates of both fuel oil and gas oil were increased in the Budget by £0.0018 and £0.00024 respectively. The cost of fuel oil and gas oil accounts for approximately 3.4 per cent. of the total cost of electricity in Northern Ireland.

Interest Rates

Mr. Mitchell: To ask the Chancellor of the Exchequer if he will list the real interest rates in *(a)* the United Kingdom, *(b)* the USA, *(c)* Germany and *(d)* Japan for each of the last five years and the present year to date. [40562]

Mrs. Liddell: Real interest rates are nominal rates adjusted to take account of inflation expectations. But, in the absence of information on inflation expectations, unambiguous measures of real rates cannot be calculated, and no official measures are published. Approximate measures for the past are sometimes calculated by assuming that inflation was fully anticipated and therefore by adjusting nominal interest rates for actual inflation.

Figures for nominal interest rates and inflation can be found in the OECD Main Economic Indicators, which is available in the House of Commons Library.

Child Care Tax Credit

Mr. Brady: To ask the Chancellor of the Exchequer what estimate he has made of the average cost per family of the child care tax credit. [40838]

Dawn Primarolo: No such estimate has been made.

Energy Conservation Schemes

Mr. Frank Cook: To ask the Chancellor of the Exchequer if the reduction in VAT on Government-funded energy conservation schemes will apply at the same level to any payment by a customer towards the cost of works undertaken; and what representations he has received on this subject. [41079]

Dawn Primarolo: Any contribution to the costs of energy saving materials from householders will not be included in the new relief, which is for grant funded work.

I have received no representations on this subject.

Euro (Banking Charges)

Mrs. May: To ask the Chancellor of the Exchequer if the United Kingdom banking industry will be required to comply with the European Commission's recommendation, adopted on 1 April, on banking charges for conversion to the Euro. [40664]

Mrs. Liddell: This recommendation is directed at those member states participating in EMU and is not binding on the UK banking industry.

Public Bodies

Mr. Öpik: To ask the Chancellor of the Exchequer how many and what proportion of his appointees to non-departmental public bodies are *(i)* aged under 25, (ii) aged 25 to 30 and (iii) aged 31 to 35 years. [40746]

Mrs. Liddell: One aged 25–30. The Government are committed to encouraging a wide range of candidates to apply for positions on the boards of public bodies, reflecting the diverse society in which we live. This includes encouraging more young people to put themselves forward as potential candidates for public appointments. All appointments are made on merit, and candidates must demonstrate that they have the necessary skills and experience to match the needs of the public body on which they wish to serve. This is especially relevant for appointments made by Treasury Ministers which are mainly to bodies requiring extensive experience and background in the finance and taxation sectors.

Civil Registration Records

Mr. Gordon Prentice: To ask the Chancellor of the Exchequer if he will take steps to provide easier and cheaper access to older civil registration records. [40817]

Mrs. Liddell: The Registration Acts are quite specific as to the means of access to all the records of births, deaths and marriages. The Acts allow members of the public to search the indexes in order to identify the entries they are looking for and to obtain certified copies (certificates) on payments of the appropriate statutory fees. The Registrar General has no powers to make available or disclose registration information in any other way.

Duty-free Sales

Mr. Gordon Prentice: To ask the Chancellor of the Exchequer, pursuant to his answer of 23 April 1998, *Official Report*, column *955*, if he will list the countries which do not want to review, reconsider or defer the decision to abolish duty-free sales within the EU. [41059]

Dawn Primarolo: I can speak only for my ECOFIN colleagues, not for Member States as a whole. The last formal ECOFIN discussion of this issue was towards the end of 1991 when it was decided unanimously to abolish intra-EU duty free sales. There is no obligation, therefore, for any Member State to register an objection to re-opening the issue unless it specifically supports action to the contrary. In that respect, only Ireland has requested reconsideration of the 1991 decision but there is no enthusiasm among ECOFIN colleagues for so doing.

The matter is again to be discussed, at the request of Ireland, at the 19 May ECOFIN.

Amusement Machines (Duty)

Mr. Woolas: To ask the Chancellor of the Exchequer what assessment he has made of the impact of the increase in duty for amusement machines on *(a)* the industry and *(b)* revenues to the Exchequer. [40925]

Dawn Primarolo: In determining the impact upon the industry of increase in duty for amusement machines the Government considered the patterns of location and distribution of machines, their profitability and the ability of the various sectors within the industry to bear the cost.

The revenue yield forecast is £15 million for the first year and £20 million for each of the following two years.

Births and Deaths

Mr. Gareth Thomas: To ask the Chancellor of the Exchequer what action he is taking to allow the purchase of photocopies of recent births and deaths registration records. [40534]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Gareth Thomas, dated 7 May 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on the purchase of photocopies of recent registration records.

The Births and Deaths Registration Act 1953 is quite specific as to the means of access to all records of births and deaths held by the Registrar General and registration officers. It gives members of the public the right to search the indexes in order to identify the entries they are looking for and to obtain certified copies (certificates) on payment of the statutory fee. The Registrar General and some registration officers use photocopying technology to facilitate the production of certified copies. Neither the Registrar General nor registration officers have any powers to disclose information in any other way.

In view of this no immediate action is planned.

Travel Agents

Mr. Vaz: To ask the Chancellor of the Exchequer if he will estimate the number of travel agents in the United Kingdom. [40854]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Keith Vaz, dated 7 May 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on the number of travel agents in the United Kingdom.

Counts of numbers of enterprises in the United Kingdom are produced annually from the Inter-Departmental Business Register (IDBR). This is a register of businesses in the United Kingdom that is used for conducting statistical inquiries. The IDBR is based on VAT traders registered with HM Customs and Excise and on PAYE employers (from the Inland Revenue). The register covers more than 98 per cent. of economic activity but does exclude very small traders; those operating below the VAT threshold and with no employees.

The number of VAT-based enterprises in the United Kingdom in 1997 classified to travel agencies was 4,192.

AGRICULTURE, FISHERIES AND FOOD

Vitamins and Minerals Group

Dr. Ladyman: To ask the Minister of Agriculture, Fisheries and Food if he will list the membership of the Expert Group on Vitamins and Minerals announced on 18 December 1997; and if he will make a statement. [41375]

Mr. Rooker: Ministers from MAFF, the Department of Health and the territorial departments have approved the appointment of the following members to the Expert Group:

Chairman

Prof. H. F. Woods BSc BM BCh Dphil FRCP (Lon) FFPM FRCP (Edin) Hon FFOM

Dean of the Faculty of Medicine, University of Sheffield

Members

Prof. P. Aggett MB ChB FRCP Msc DCH

Head of the Postgraduate School of Medicine and Health, University of Central Lancashire

Prof. D. S. Davies BSc PhD BCh FRSC FRCPat HonMRCP

Professor of Biochemical Pharmacology Imperial College School of Medicine, Hammersmith Hospital

Prof. A. A. Jackson BA MBBCHIR MD FRCP

Professor of Human Nutrition at the Institute of Human Nutrition, University of Southampton

Dr. B. J. Kirby OBE MB ChB FRCP FRCPed

Reader in Medicine and Consultant Physician, Post Graduate Medical School at the University of Exeter

Prof. M. J. S. Langman BSc MD FRCP

Professor of Medicine, Queen Elizabeth Medical Centre, Birmingham

Prof. A. G. Renwick BSc PhD DSc

Professor of Biochemical Pharmacology, University of Southampton

Ms Barbara Saunders BA (Hons) FCP

Freelance Consumer Consultant

Dr. A. Thomas PhD FRCP MB ChB

Consultant Physician with special responsibility for the elderly, Plymouth Hospitals NHS Trust

Dr. A. Williams BSc LRCP MRSCS MB BS MRCP (UK) D. Phil (Oxon) FRCP (London) FRCPCH

Senior Lecturer and Consultant in Neonatal Paediatrics, St. George's Hospital, London

The observers to the group, selected from those nominated by interested parties, will be:

Observers

Prof. David Richardson BSc (Hons) MSc PhD FIFST FRSM

Head of Nutrition Sciences and Communication, Nestle UK Limited

Dr. Derek Shrimpton MA PhD F.I. Biol. C.Biol FIFST

Consultant in Nutrition and Food Science

Ms Sue Davies BSc (Hons)

Senior Policy Researcher for the Consumers' Association

Dr. Marilyn Glenville BEd MA PhD

Chair of Foresight—the Association for Pre-Conception Care and Chair of the governing council for the British Association of Nutritional Therapists.

Pharmaceuticals

Dr. Ladyman: To ask the Minister of Agriculture, Fisheries and Food what fees are to be paid by merchants and saddlers for registration in 1998–99 with the Royal Pharmaceutical Society of Great Britain under the Medicines (Exemptions for Merchants in Veterinary Drugs) Order 1998; and if he will make a statement. [41377]

Dr. John Cunningham: The Schedule of Fees for Registration is given in the following table:

£

Application in respect of each premises	*Previous fee*	*New fee*
Category 1 agricultural merchants		
1. For registration under article 5	234	243
2. For retention of registration under article 5	133	138
3. For restoration of registration under article 5	201	209
Category 2 agricultural merchants		
1. For registration under article 8	145	151
2. For retention of registration under article 8	87	90
3. For restoration of registration under article 8	129	134
Saddlers not registered under article 5 or 8		
1. For registration under article 12	112	112
2. For retention of registration under article 12	65	65
3. For restoration of registration under article 12	97	97

Herbicides

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what studies his Department has *(a)* commissioned and *(b)* otherwise supported which deal with the specific aspects of the quantity of herbicide use and its impact when used with genetically modified herbicide-tolerant crops. [40543]

Mr. Morley: The Department commissioned a research programme in 1997 to evaluate the impact on the agricultural environment of the release of herbicide-tolerant oilseed rape. Part of this programme will examine the possibility of environmental effects arising from changes in herbicide usage patterns.

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food when he estimates genetically modified herbicide-tolerant crops will be commercially available within the United Kingdom; and what labelling requirements will apply to such crops. [40550]

Mr. Morley: It is unlikely that genetically modified herbicide-tolerant crops will be available commercially for planting in the United Kingdom before the 1999 growing season. The precise timing will depend on the publication of consents to market issued at European level and on the addition of varieties to the United Kingdom's National List or the European Community Common Catalogue. Existing Regulations require products, including seeds, to carry a label or accompanying document to indicate that the product contains, or consists of genetically modified organisms.

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what advice he has received from the Government's statutory nature conservation adviser in respect of genetically modified herbicide-tolerant crops; and if he will make a statement. [40554]

Mr. Morley: The Government's statutory advisers on nature conservation, including English Nature, have raised issues relating to changes in agricultural practice and possible indirect effects on biodiversity as a result of the commercial introduction of genetically modified herbicide-tolerant crops, and the Government are keen to ensure that these issues are addressed properly. The Department of the Environment, Transport and the Regions is currently considering such wider issues related to the future commercialisation of genetically modified crops, and will be making proposals in due course.

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what studies his Department has conducted; and what assessment his Department has made of the potential change in farming systems resulting from the availability on a commercial basis of genetically modified herbicide-tolerant crops. [40555]

Mr. Morley: When genetically modified herbicide-tolerant crops become commercially available in this country, it seems likely that farmers will wish to grow them on a significant scale. The Government believe that the industry will need to develop improved management techniques to ensure that potential problems such as the spread of the herbicide tolerance to other plants are minimised.

Public Bodies

Mr. Öpik: To ask the Minister of Agriculture, Fisheries and Food how many and what proportion of his Department's appointees to non-departmental public bodies are (i) aged under 25, (ii) aged 25 to 30 and (iii) aged 31 to 35 years. [40740]

Mr. Morley: Two of the appointees to the Department's non-departmental public bodies are under 35; one in each of the groups 25 to 30 and 31 to 35.

The Government are committed to encouraging a wide range of candidates to apply for positions on the boards of public bodies, reflecting the diverse society in which we live. This includes encouraging more young people to put themselves forward as potential candidates for public appointments. All appointments are made on merit, and candidates must demonstrate that they have the necessary skills and experience to match the needs of the public body on which they wish to serve.

PRIME MINISTER

Inquiries

Mr. Gordon Prentice: To ask the Prime Minister if he will list the inquiries which have been set up since 1 May 1997, the dates when they reported or are due to report and, for each, the total cost. [39889]

The Prime Minister: I refer my hon. Friend to the list of departmental committees of inquiry set up since May 1995, given by my right hon. Friend the Chancellor of the Duchy of Lancaster on 23 April 1998, *Official Report*, columns *688–90*. Of the inquiries listed in that answer, the table gives the report date and cost for those established after 1 May 1997 which have already reported. Also listed are those inquiries which have not yet reported, but which have published an anticipated date of publication.

Inquiries which have reported

£

Inquiry	*Date of report*	*Total cost (departmental estimate)*
Inquiry into Breast Screening Services in Exeter	November 1997	11,700
Review of Cervical Screening Services in Kent and Canterbury Hospitals NHS Trust	October 1997	44,000
The Narey Inquiry into incidents at HM Prison Maze	February 1998	16,300
Review of an Eye Transplantation/CJD Incident in 1997	April 1998	4,300
Scrutiny of evidence relating to the Hillsborough disaster	February 1998	38,800
Inquiries which are due to report		
Bovine Spongiform Encephalopathy Inquiry	June 1999	—
Inquiry under the Police Act 1996 into matters arising from the death of Stephen Lawrence	End 1998	—

Lockerbie

Mr. Dalyell: To ask the Prime Minister, pursuant to the oral statement by the Minister of State, the hon. Member for Leeds, Central, on 29 April 1998 *Official Report*, columns 298–301, concerning Lockerbie, if he will specify the dates and places of meetings and contacts between British and Libyan ministers and authorities in 1998 with a view to resolving differences in opinion between Britain and Libya over the role of Vincent Cannistrano, Colonel Oliver North and Buck Revell in the events before and after the destruction of Pan Am 103 over Lockerbie. [40837]

The Prime Minister: There have been no such meetings. Recent contacts with the Libyan authorities have been limited to explaining clearly what we require of Libya under United Nations Security Council resolutions.

Credit Lyonnais

Mr. Mitchell: To ask the Prime Minister for what reasons he agreed to the French rescue of Credit Lyonnais. [41096]

The Prime Minister: This is principally a matter for the French Government and the European Commission. I have not taken part in the recent discussions on this issue.

NORTHERN IRELAND

Firearms

Mr. Colvin: To ask the Secretary of State for Northern Ireland when she plans to publish the consultation paper on the proposed changes to the firearms laws in Northern Ireland. [40199]

Mr. Ingram: I refer the hon. Member to the answer given by my right hon. Friend the Secretary of State to my hon. Friend the Member for Eastwood (Mr. Murphy) on 2 April 1998, *Official Report*, column *608*.

Incontinence

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland how many people have been on waiting lists in *(a)* Belfast South and *(b)* Northern Ireland, for continence pads from the NHS for more than (i) one month, (ii) three months and (iii) six months. [40196]

Mr. Worthington: There are currently no waiting lists for incontinence pads in any of the Community health and Social Service Trusts in Northern Ireland.

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland what level of funding her Department has given to voluntary organisations providing support for incontinent people in each year since 1990–91. [40195]

Mr. Worthington: The Department has not funded any voluntary organisation specifically to provide support for incontinent people in any year since 1990–91.

Since 1994, the Department has co-ordinated and supported Northern Ireland's participation in an annual National Continence Campaign. For the last 3 years, the Department has arranged and funded a freephone helpline during National Continence Week. In 1997, the Department's expenditure on arrangements for National Continence Week was approximately £8,700.

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland how many people have claimed incapacity benefit in each year since 1990–91 on the grounds of incontinence. [40197]

Mr. Worthington: Responsibility for the subject in question has been delegated to the Social Security Agency under its Chief Executive, Mr. Chris Thompson. I have asked him to arrange for a reply to be given.

Letter from Chris Thompson to Rev. Martin Smyth, dated 5 May 1998:

I have been asked to reply to your recent Parliamentary Question about the number of people who have claimed Incapacity Benefit on the grounds of incontinence in each year since 1990–91.

The Social Security Agency does not keep statistics on Incapacity Benefit under the heading of incontinence as an incapacity. To obtain this information each case would have to be examined separately. This would involve a major clerical exercise which would incur disproportionate costs.

I am sorry I cannot provide the information you require but I hope this explains the position to you.

INTERNATIONAL DEVELOPMENT

Sustainable and Cash Crop Agriculture

Dr. Tonge: To ask the Secretary of State for International Development what guidance her Department gives to Governments and local communities on the relative merits of sustainable and cash crop agriculture. [41041]

Mr. Foulkes: The livelihoods of the majority of the rural poor in developing countries are dependent, at least in part, on agricultural or other natural resource-based activities.

Our objective is to eliminate poverty through strategies which bring about sustainable improvements in rural livelihoods. These strategies may include the production of crops for food or for sale but we give no specific guidance on the merits of cash crops.

Our focus is on better policies, strengthening relevant institutions, training at all levels, the better management of natural resources, problem solving, improving access to environmentally and socially sound technologies and encouraging small businesses.

Through our support for ethical trading approaches we are also encouraging producers and retailers to adopt safe and fair production and marketing practices and to adopt voluntary codes of conduct.

The approaches used by the Department for International Development (DFID) when working with Governments and local communities in the agricultural sector are set out in the Department's Sustainable Agriculture Strategy. A copy of this Strategy is in the House of Commons Library.

Generalised System of Preferences

Dr. Tonge: To ask the Secretary of State for International Development if she will list the proposed changes in the generalised system of preferences for developing countries. [40619]

Mr. Foulkes: Two key regulations have been discussed and agreed within the Generalised System of Preferences (GSP) Working Group during the UK Presidency. These are the Regulation on Least Developed Countries (LDCs) and the Regulation on Special Incentives. UK policy on both of these is set out in the Government's White Paper on International Development published in November 1997. The Department for International Development (DFID) and DTI have worked closely on formulating these proposals. DTI are the lead policy department in Whitehall, but DFID has worked closely with DTI in formulating and implementing the Government's policy.

The proposed Regulation on LDCs was agreed by the EU General Affairs Council in March this year. This requires the EU to extend market access terms, similar to those available under the Lomé Convention, to the nine non-African Caribbean and Pacific LDCs and to apply these retrospectively from 1 January 1998. We therefore welcome this Regulation which we see as an important first step towards our long-term goal of duty-free market access to the EU market for all LDCs and for the eventual agreement to eliminate tariffs on LDC products within a bound World Trade Organisation scheme.

The proposed Regulation on *Special Incentives* provides for additional trade preferences to be granted to developing countries that meet certain labour and environmental standards. The GSP Working Group has concluded its deliberations on the proposal which will be submitted to the Council in May.

The Commission is expected to come forward with proposals for the Mid-Term Review of the GSP in June this year. This is not expected to be a major overhaul of

the Scheme. Nevertheless, the UK will be pressing for as generous as possible an outcome, with a view to laying down markers for the Full-Term Review in 2004.

Foreign Earnings Deduction

Sir Alastair Goodlad: To ask the Secretary of State for International Development what representations she has made to the Chancellor of the Exchequer about the potential effects of the proposed changes to the foreign earnings deduction regulations announced in the Budget on the costs of aid agencies employing UK staff on contracts overseas. [40919]

Mr. Foulkes: My right hon. Friend the Secretary of State for International Development has made no representations. This is a matter for the Chancellor of the Exchequer.

Ethical Training Executive

Sir Alastair Goodlad: To ask the Secretary of State for International Development what support her Department has given, and at what cost, to the Ethical Training Initiative; and if she will make a statement. [39341]

Mr. Foulkes: The Department for International Development (DFID) is supporting the work of the Ethical Trading Initiative, to which we have provided a grant of over £500,000. The members include many of the major UK retail chains and other private sector partners, NGOs and trade unions. They are working together on best practice in monitoring the implementation of voluntary codes for ethical sourcing and on developing a positive engagement between importers and their suppliers so that the latter are helped to comply with the codes. DFID is especially keen to encourage this sort of positive engagement as it is that which is most likely directly to improve working conditions in developing countries.

Montserrat

Mr. David Taylor: To ask the Secretary of State for International Development if further budgetary assistance is to be provided to the Government of Montserrat. [41485]

Mr. Foulkes: It will inevitably be some time before the Government of Montserrat return to the pre-1995 position of being able to cover their own running costs. My right hon. Friend, the Secretary of State for International Development has therefore agreed to provide up to a further £7.085 million which will meet 70% of their running costs for the remainder of 1998. This is in addition to the £1.36 million announced in January and brings the total budgetary aid committed this year up to £8.45 million. I have placed copies of the Budgetary Aid Appraisal document in the Library of the House.

SOCIAL SECURITY

Creditor Insurance Policies

Mr. Ian Stewart: To ask the Secretary of State for Social Security when she will be amending the rules in the income related benefits concerning the treatment of income from creditor insurance policies as announced in the Green Paper, "New Ambition For Our Country—A New Contract For Welfare". [41486]

Mr. Keith Bradley: Following statutory consultation with Local Government Associations and the Social Security Advisory Committee, we will be laying regulations before the House on Monday 11 May. The new regulations will cover creditor insurance policies taken out to meet payments on bank loans, hire-purchase agreements and similar commitments. Income from these policies will be disregarded in the income-related benefits, irrespective of the payment arrangements, as long as it is both intended and used to cover past debt. The regulations will come into effect from June 1.

Existing regulations mean that payments under these creditor insurance policies are taken into account in full if they are made to the individual, but are ignored if made direct to the creditor. The new regulations will remove that anomaly.

Changing the rules to make specific reference to creditor insurance, now widely available and taken-up, demonstrates our commitment to ensure that the benefit system reflects the needs of modern society. Disregarding this income reaffirms our view that people should be encouraged to provide for themselves when they can, and ensures that people who have acted responsibly by taking out this insurance will not lose out.

State Pensions

Ms Stuart: To ask the Secretary of State for Social Security what would be the annual cost of providing an annual statement of state pension entitlement forecast to each individual. [39986]

Mr. Denham: At present forecasts of State pension entitlement are provided on request, each one costing around £3.50. Providing these forecasts annually to each of the 35 million individuals of working age would cost around £120 million, although the feasibility of doing so would need to be examined.

We believe that enabling individuals to develop greater financial and economic awareness is crucial if we are to give everyone the confidence to make informed choices and take control of their financial future. The Pensions Education Working Group which was established last year as part of our pensions review is producing recommendations on how awareness of pensions and financial education could be improved.

We will be giving details of the Group's findings in due course.

War Disablement Pensions

Mr. Chope: To ask the Secretary of State for Social Security how many claims for war disablement pension in respect of deafness have failed to reach the threshold of 20 per cent. in each of the last three years; and if she will make a statement. [40156]

Mr. Denham: The statistics held relate only to first claims to a War Disablement Pension for deafness where deafness is the only condition claimed. We do not hold

statistics where claims have been made in respect of deafness and another condition, or in respect of second and subsequent claims for deafness. The following table shows the number of first claims for deafness alone cleared by the War Pensions Agency in the last three years.

First War Disablement Pension claims for deafness as a single condition: 1995/96–1997/98

Year	*Deafness assessed at less than 20 per cent.*[1]
1995/96	9,096
1996/97	6,975
1997/98	5,895

[1] Deafness from all causes and including that assessed at less than 1 per cent.

Source:

Monthly reports from the War Pensions Computer System

HIV Positive Claimants

Mr. Gerrard: To ask the Secretary of State for Social Security (1) how many people who are HIV positive are claimants of the higher rate of the mobility component of the disability living allowance; [40566]

(2) how many claimants of attendance allowance are HIV positive; [40567]

(3) how many claimants of disability living allowance who are HIV positive have *(a)* lifetime awards and *(b)* renewal awards. [40568]

Mr. Denham: The information is not available in the format requested. The most relevant information held relates to claimants of Disability Living Allowance and Attendance Allowance whose principal disabling condition is that they have AIDS or are HIV positive. There are about 5,660 Disability Living Allowance claimants in this category of whom some 5,280 have a lifetime award and some 380 have a fixed term award, with about 5,040 receiving the higher rate mobility component. Some 20 cases receive Attendance Allowance.

Note:

Figures based on a 5 per cent. sample of cases at 28 February 1998.

Income Support Mortgage Interest

Mr. Jim Cunningham: To ask the Secretary of State for Social Security if she will estimate the cost of applying the lender's interest rate to all income support mortgage interest claimants. [40656]

Mr. Keith Bradley: The information requested is not available.

Mr. Jim Cunningham: To ask the Secretary of State for Social Security what plans she has to revise the current system of assessing income support mortgage interest claims. [40655]

Mr. Keith Bradley: We have no plans to change the current arrangement of applying a standard interest rate to the calculation of Income Support mortgage interest claims which will continue to reflect average undiscounted building society rates.

The standard interest rate will increase from 7.97 per cent. to 8.34 per cent. from 31 May, following the most recent average rate published by the Office for National Statistics in table 7.1L of Financial Statistics.

Mr. Jim Cunningham: To ask the Secretary of State for Social Security how many people are currently in receipt of income support mortgage interest in *(a)* Coventry, *(b)* the West Midlands and *(c)* the United Kingdom; and what proportion of these claims are calculated on the basis of the standardised interest rate. [40654]

Mr. Keith Bradley: The information is not available in the format requested. Such information as is available is set out in the tables.

Income support cases with mortgage interest, November 1996

	All income support mortgage interest cases
West Midland	31,000
Great Britain	313,000
United Kingdom	325,000

Income support cases with mortgage interest, August 1997

	All income support mortgage interest cases	*Income support mortgage interest cases with the standard rate of interest*[1]
West Midlands	29,000	28,000
Great Britain	298,000	289,000

[1] Numbers of claims based on the standard rate of interest refers to claimants with one or more loan based on this rate. A claimant shown in this category with more than one loan based on this rate. A claimant shown in this category with more than one loan may therefore have additional loans based on different rates of interest

Notes:

1. Numbers are rounded to the nearest thousand
2. Excludes cases who transferred to Income-based Jobseeker's Allowance with effect from October 1996
3. Sample size 5 per cent.
4. The standard rate of interest at August 1997 was 7.2 per cent.
5. Information on cases paid at the standard rate of interest is not available prior to May 1997 as only information on actual rates appropriate to an individual loan rather than the interest rate applied in the assessment calculation were collected before this date
6. United Kingdom information (including Northern Ireland) on numbers of cases calculated on the standard rate is not available

Sources:

1. Income Support Statistics Quarterly Enquiry, November 1996 and August 1997
2. Income Support Statistics (NI) Quarterly Enquiry, November 1996

Disability Benefits

Mr. Ainger: To ask the Secretary of State for Social Security how many claimants have had *(a)* disability living allowance and *(b)* incapacity benefit withdrawn in each of the past five years. [40892]

Mr. Denham: The information is not available in the format requested. Such information as is available is set out in the tables.

Awards of disability living allowance which ceased

Year	*Ceased awards*
1993–94	98,000
1994–95	100,000
1995–96	111,000
1996–97	124,000
1997–98	144,000

Notes:

1. Based on 100 per cent. data rounded to the nearest thousand
2. Information is not available on the reasons for cessation, but these will include death, absence abroad, and non-renewal of a fixed period award, as well as withdrawal where the Benefits Agency found that the conditions of entitlement were no longer satisfied

Incapacity benefit recipients found capable of work

Date	*Numbers found capable of work*
13 April 1995–31 March 1996	78,000
1 April 1996–31 March 1997	130,000
1 April 1997–31 March 1998	125,000

Notes:

1. A small number of cases which are not on the computer system are excluded
2. Based on 100 per cent. data rounded to the nearest thousand
3. Incapacity Benefit was introduced in April 1995. The figures include recipients who were disallowed benefit following application of the All Work Test (including those who did not attend the examination or did not return the questionnaire) or the Own Occupation Test. Benefit may subsequently be reinstated following appeal

Winter Fuel Payments

Mrs. Ann Winterton: To ask the Secretary of State for Social Security (1) if she will list the total number of pensioner winter fuel payments issued *(a)* in error and *(b)* in duplicate; [39189]

(2) how many complaints her Department has received regarding the issuing in error of pensioner winter fuel payments; [39191]

(3) if she will list the total *(a)* number and *(b)* cost of pensioner winter fuel payments issued which have subsequently been cashed which were issued (i) in error and (ii) in duplicate. [39190]

Mr. Denham: Winter Fuel Payments are one of a number of initiatives the Government has taken to help vulnerable people, especially the elderly, keep warm in the winter. A total of £400 million has been committed for two years (97–98 and 98–99), to help pensioners with fuel bills to pay. This is the first time any Government have provided additional help with heating costs to all pensioners living in the United Kingdom who receive a retirement pension or one of a number of other qualifying benefits.

The making of this year's payments has been an enormous and unprecedented exercise. In order to establish all eligible pensioners, correctly identify pensioner households, and determine the amount each should receive, it was necessary to correlate data in around 15 million computer records, involving 15 qualifying benefits, across nine computer systems. Overall, almost ten million pensioners, in over seven million households, have received a payment.

The administration of Winter Fuel Payments is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mrs. Ann Winterton, dated 6 May 1998:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Questions concerning the issue of Winter Fuel Payments.

The making of Winter Fuel Payments to almost ten million eligible pensioners, in over seven million households, before the end of March 1998 has been a challenging task for the Benefits Agency. This was achieved whilst maintaining normal benefit business.

Around one and a half million of the poorest pensioners, those receiving Income Support or income-based Jobseeker's Allowance, received their payment of £50 during January.

Almost eight and a half million other eligible pensioners, for example those in receipt of state Retirement Pension, were issued with a payment of £20 or £10. These payments were issued during March.

To determine whether £20 or £10 was due it has been necessary to establish whether the pensioner lived alone. Where we identified they were the only eligible pensioner in a household they received £20; where they lived with other eligible pensioners each received £10.

Legislation requires that the decision whether £10 or £20 is due is based on information held within official Departmental records. All the £20 and £10 payments issued have therefore been based on information which originated from pensioners and is held within these official records.

We are aware from subsequent inquiries from some pensioners that the official records available and used by my Agency did not always accurately reflect the correct, current address details. For example, two eligible pensioners living at the same address have differing address details held in official records and despite expecting to receive £10 each, have received £20 each.

However, even though we have subsequently updated the address details the payments themselves remain correct in accordance with the legislation. They have been made using official records which were in place at the time eligibility was determined. The legislation is framed in such a way that providing the payments made are supported by records held then there has not been an incorrect payment.

We are therefore not aware of any £10 or £20 payments that have been made in error.

Out of the 1.5 million £50 payments made to Income Support and Job Seekers Allowance pensioners in January we are aware that some payments were incorrectly made or duplicated. We know that 9,357 payments were made where information held within official records indicated payment was inappropriate. A further 211 duplicate payments were made to those pensioners who transferred from Income Support to Job Seekers Allowance during the qualifying week of 5 January 1998. Of the relevant payments this represents a 0.68% error rate. In financial terms the total cost of these errors amounts to £478,400 and again this represents 0.68% of the total sum issued of £72,080,700.

In addition we also know that due to a computer operator error, 40,801 Income Support payments were sent out with an incorrect issue date on them. All these girocheques were replaced automatically within 72 hours. To date we are aware that 434 pensioners have cashed both the original and replacement payments.

Information is not available on the number of complaints received regarding the erroneous issue of Winter Fuel payments.

Thank you for the opportunity to explain the position.

SCOTLAND

Child Safety Initiative

Mr. Clappison: To ask the Secretary of State for Scotland how many children have been stopped to date by the safety initiative pilot undertaken by the South Lanarkshire Council and Lanarkshire police; and how many of these children have been involved in criminal activity. [40140]

Mr. Dewar: At 16 April 1998, Strathclyde Police had made 229 interventions concerning children or young people thought to be at risk. Young people were charged on 4 occasions, in 2 cases with breach of the peace and police assault, in one case with possession of an offensive weapon and in one case with breach of the peace.

New Public Service Jobs

Mr. Bayley: To ask the Secretary of State for Scotland how many new public service jobs he estimates will be created in Scotland for those who will be employed by *(a)* the Scottish Parliament and *(b)* the Scottish Executive. [40202]

Mr. Dewar: The White Paper *Scotland's Parliament* (Cm 3658, paragraphs 10.10 and 10.13) provisionally estimated that around 200 staff could be required by the Parliament, and that the Scottish Executive could need a small increase in staff over and above current Scottish Office staff numbers to deal with new responsibilities. These estimates remain the best current judgment, though work is under way to refine them in the light of progress in the Consultative Steering Group, which my hon. Friend chairs, and elsewhere. The precise staffing arrangements for the Scottish Executive cannot be determined until Executive Ministers are in place.

Private Finance Initiative

Mr. Roy: To ask the Secretary of State for Scotland what is his Department's policy on openness and employee issues on PFI in the NHS in Scotland. [41373]

Mr. Galbraith: To improve openness and communication surrounding the PFI process, key PFI documents including Outline Business Cases (OBCs) and Full Business Cases (FBCs) will be made publicly available one month after they have been approved. Furthermore:

after financial close, an addendum to the FBC setting out changes between FBC approval and financial close and summarising the commercial contract in plain English should be prepared;

in view of the commercial nature of negotiations and the PFI principle of securing value for money, Trusts (or Health Boards) and their private sector partners must be given the right to exclude or delete text on the grounds of commercial confidentiality;

publicly available means placing a copy of the documents (OBC, FBC and FBC addendum) with the local authority; on view at the Trust (or Health Board) for staff and patients; with the local Health Council; at the local main public library (for schemes requiring Management Executive, Treasury or Ministerial approval); and the House of Commons Library (for schemes in excess of £10m);

further copies would be provided, on request, by the Trust (or Health Board) but Trusts (or Health Boards) would be able to charge for photocopying and postage;

the new policy would apply both to future PFI schemes and retrospectively; and

the documents for publicly funded schemes would also be made publicly available.

With regard to employee issues, in future:

Trusts (or Health Boards) will have to assess potential PFI partners, to whom NHS staff would transfer, on the basis of their record on employment policies such as equal opportunities; wages and conditions; pensions; and trade union recognition; and

Staff representatives will be invited to assist management in the evaluation of how major PFI partners measure up as fair employers through membership of joint evaluation panels.

Mr. Moore: To ask the Secretary of State for Scotland if he will list each current private finance initiative project in the health sector and for each list *(a)* the estimated capital cost, *(b)* the date or projected date of approval of the Outline Business Case, (i) by the Scottish Office and (ii) by the Treasury, *(c)* the date or projected date of approval of the Full Business Case (1) by the Scottish Office and (2) by the Treasury, *(d)* the date or projected date of contract signature and *(e)* the date or projected date of construction completion; and if he will place the outline and full business cases in the Library. [40936]

Mr. Galbraith: The details requested of PFI projects in Health are given in the table. However, the following points should be noted:

the Table includes projects only with approved Outline Business Cases (OBCs);

OBCs do not require approval by HM Treasury;

HM Treasury approval of Full Business Cases (FBCs) is required only for non-IT projects with a capital value in excess of £10 million and for IT projects with a capital value in excess of £1 million; and

there are other smaller PFI projects which fall within Trust and Health Board delegated limits, for which information is not held centrally.

OBCs and FBCs for projects with a capital value in excess of £10 million will be placed in the Library of the House of Commons in due course. As the business cases were prepared under the old policy, they contain commercially sensitive material which would be inappropriate to publish. Once the Trusts and their private sector partners have had the opportunity to extract commercially sensitive information, particularly for the Trusts, information relating to unsuccessful bidders, the key PFI documents will be placed in the Library.

Health Board/NHS Trust	Project description	Capital value £ million	Date OBC approved	Date FBC approved or expected approval date	FBCA approved or to be approved by HM Treasury?	Date contract signed or expected signature date	Date completed or expected completion date
Greater Glasgow Health Board (Rutherglen)	Provision of 180 elderly care beds	5.0	n/k	n/k	no	03/90	03/92
Ayrshire & Arran Health Board (Irvine)	Provision of 90 elderly care beds	3.8	n/k	n/k	no	02/91	01/92
Greater Glasgow Health Board (Darnley)	Provision of 120 elderly care beds	3.5	n/k	n/k	no	12/91	12/93
Greater Glasgow Health Board (Ruchill)	Provision of 120 elderly care beds	3.3	n/k	n/k	no	01/92	02/93
Greater Glasgow Health Board (Shettleston)	Provision of 120 elderly care beds	3.8	n/k	n/k	no	03/92	01/94
Lanarkshire Health Board (Bellshill)	Provision of 90 elderly care beds	2.8	n/k	n/k	no	11/92	02/93
Dundee Teaching Hospitals NHS Trust	SMAC analysis system	0.3	n/k	n/k	no	07/93	07/93
Grampian Health Board	Provision of 25 beds for mentally ill at Spynie Hospital	1.1	n/k	n/k	no	09/93	04/94
Lothian & Forth Valley Health Boards	Clinical waste disposal	4.5	n/k	n/k	no	10/94	10/95
Northern NHS Trusts & Health Boards	Clinical waste disposal	6.0	n/k	n/k	no	10/94	10/95
Royal Infirmary of Edinburgh NHS Trust	CT and MRI scanning systems	2.2	n/k	n/k	no	02/95	10/95
Ayrshire & Arran Health Board (Irvine)	Provision of 90 elderly care beds	2.5	n/k	n/k	no	05/95	10/96
Lanarkshire Health Board (Cumbernauld)	Provision of 40 elderly care beds	3.0	n/k	n/k	no	12/95	03/97
Edinburgh Healthcare NHS Trust	Provision of 60 bed Nursing Home (Ferryfield House)	2.5	n/k	10/95	no	02/96	10/96
Law Hospital NHS Trust	Provision and operation of a hospital information support system	2.5	n/k	10/95	yes	03/96	12/96
Grampian Health Board	Provision and operation of a Community Hospital in Kincardineshire (Stonehaven)	3.8	n/k	01/97	no	01/97	03/98
Perth & Kinross Healthcare NHS Trust	Provision and operation of an integrated healthcare information system	2.3	04/95	12/96	yes	01/97	06/97
Yorkhill NHS Trust	Provision and operation of a hospital information support system	2.5	03/96	12/96	yes	02/97	06/97
Victoria Infirmary NHS Trust	Provision of 72 geriatric beds at Mearnskirk	2.4	n/k	05/97	no	07/97	03/98
Hairmyres & Stonehouse Hospitals NHS Trust	New major acute hospital adjacent to current site	67.5	03/94	08/97	yes	04/98	05/01
Royal Infirmary of Edinburgh NHS Trust	Relocation of major acute teaching hospital to a greenfield site on the outskirts of Edinburgh	175.0	11/94	08/97	yes	07/98	09/02–12/03
Law Hospital NHS Trust	Construction of a new hospital on a brownfield site with certain non-clinical services	100.0	03/94	09/97	yes	05/98	04/01
Ayrshire & Arran Community Healthcare NHS Trust	Build Community Hospital for East Ayrshire (Cumnock)	8.6	09/95	08/97	no	05/98	01/00
Southern General Hospital NHS Trust	Provision of geriatric medicine and assessment facility on SGH site	9.0	07/95	06/98	no	07/98	02/00
Dumfries & Galloway Acute & Maternity Hospitals NHS Trust	Provision of daycare and maternity services	6.0	09/95	08/98	no	10/98	04/00
Renfrewshire Healthcare NHS Trust	Provision of a geriatric assessment facility at Larkfield	8.5	11/95	06/98	no	08/98	01/00
Highland Communities NHS Trust	Provision of a psychiatric unit in Inverness	18.0	06/97	08/98	yes	10/98	07/00
Dundee Healthcare NHS Trust	Provision of a psychiatric and geriatric units in Dundee	9.0	06/97	01/99	no	02/99	08/00
East & Midlothian NHS Trust	Provision of Midlothian Community Hospital	8.1	04/98	11/99	no	05/00	08/02

Historic Scotland

Mr. Roy: To ask the Secretary of State for Scotland if he will publish the key performance targets which he has set for Historic Scotland for 1998–99. [41374]

Mr. Dewar: I have set Historic Scotland the following key performance targets for 1998–99:

1998/99	*Target*
Protecting Scotland's built heritage	
Number of monuments scheduled	385
Number of listed building resurvey units	180
Number of weeks in which 80 per cent. of scheduled monument consent cases resolved	10
Percentage of listed building consent cases resolved within 28 days	97%
Number of historic building repair projects newly assisted by grant	130
Total value of grant-assisted repairs in progress	£31m
Programme of conservation of monuments in care	meet conservation programme[2]
Promoting and presenting the built heritage	
HS market share of visitor numbers[1]	50%
Percentage of satisfied visitors (based on surveys)	96%
Average spend per visitor	£1.30
Agency management	
Percentage efficiency gains/savings on all non-grant expenditure	1.5%

[1] The Agency's top 10 properties will be measured against the National Trust for Scotland's top 10 properties and top 10 privately-owned historic attractions
[2] To be detailed in the Corporate Plan

NHS Trusts

Mr. Moore: To ask the Secretary of State for Scotland if he will list for each NHS trust in Scotland the projected deficits or surpluses itemised in the monthly monitoring returns as at 31 December 1997, indicating the total of the projected deficits or surpluses. [40937]

Mr. Galbraith: The table provides the information requested, as well as the most up-to-date figures available from the Trust monitoring returns.

For those Trusts who have forecast deficits, this is predominantly due to the accounting treatment of the write down in value of Trust assets. In most cases, therefore, the deficit does not reflect poor operational performance. Rather, it is as a result of service reconfiguration and the rationalisation of NHS Estate.

£000

Year end position for 1997/98 Surplus/(Deficit)	*As at 31 December 1997*	*As at 31 March 1998*
Aberdeen Royal Hospitals	387	331
Angus	150	385
Argyll & Bute	29	375
Ayrshire & Arran Community	92	215
Borders General	(860)	(169)
Borders Community	89	114
Caithness & Sutherland	40	73
Central Scotland Healthcare	78	94
Dumfries & Galloway Acute & Maternity	150	220
Dumfries & Galloway Community	83	98
Dundee Healthcare	(330)	(293)
Dundee Teaching	46	(2,435)
East & Midlothian	136	170
Edinburgh Healthcare	644	708
Edinburgh Sick Children's	0	71
Falkirk & District Royal Infirmary	24	31
Fife Healthcare	1,910	2,166
Glasgow Dental Hospital & School	20	56
Glasgow Royal Infirmary	(1,271)	(9,093)
Grampian Healthcare	2,181	2,530
Greater Glasgow Community and Mental Health	(148)	(6,553)
Hairmyres & Stonehouse	46	1,804
Highland Communities	(107)	25
Inverclyde Royal	105	108
Kirkcaldy Acute	117	195
Lanarkshire Healthcare	2,070	1,885
Law Hospital	190	190
Lomond Healthcare	29	78
Monklands & Bellshill	180	216
Moray Health Services	20	(86)
North Ayrshire & Arran	35	134
Perth & Kinross Healthcare	220	188
Queen Margaret Hospital	96	687
Raigmore Hospital	50	209
Renfrewshire Healthcare	129	(224)
Royal Alexandra	305	295
Royal Infirmary of Edinburgh	145	223
Scottish Ambulance Service	130	152
South Ayrshire	60	232
Southern General	97	232
Stirling Royal	(53)	5
Stobhill	120	72
Victoria Infirmary	(1,823)	423
West Glasgow Hospitals	(2,787)	(556)
West Lothian	480	386
Western General Hospitals	120	(912)
Yorkhill	(167)	(777)
Total	3,257	(5,722)

Cervical Cancer Screening

Mr. Moore: To ask the Secretary of State for Scotland if he will list each NHS trust which carries out cervical cancer smear tests, indicating for each (i) the name of the software package used for the smear test call-and-recall system, (ii) the name of the company which provided that software package, (iii) the company responsible for maintaining and testing the software package and (iv) the date of the most recent independent testing of the software package. [40894]

Mr. Galbraith: Cervical screening in Scotland is organised at Health Board level with the following NHS Trusts providing laboratory services:

Inverclyde Royal

Lomond Healthcare

North Ayshire and Arran

Dumfries & Galloway Acute & Maternity Hospitals

Kirkcaldy Acute

Stirling Royal Infirmary

Aberdeen Royal Hospitals

Glasgow Royal Infirmary University

Southern General Hospital

Stobhill
Victoria Infirmary
West Glasgow University
Raigmore Hospital
Monklands & Bellshill
Royal Infirmary of Edinburgh
Dundee Teaching Hospitals.

The following table gives details of (i) the name of the software package used by each Health Board for their call-recall system (ii) the name of the company which provides the package (iii) the company responsible for maintaining the package and (iv) the date on which the software went through a formal test cycle independent of the software developers, prior to release of the updated system:

Health board	*Software package used*	*Provider company*	*Company responsible for maintenance*	*Date of most recent test*
Argyll and Clyde	National Community Health Index (CHI) Module	Information Systems Support Group (in-house NHS development)	Computer Sciences Corporation (CSC)	January-February 1998
Ayrshire and Arran	National CHI Module	Information Systems Support Group	CSC	January-February 1998
Dumfries and Galloway	National CHI Module	Information Systems Support Group	CSC	January-February 1998
Fife	On-line Cervical Cytology Update and Recall System (OCCURS)	In-house NHS development	CSC	Ongoing
Forth Valley	OCCURS	In-house NHS development	CSC	Ongoing
Grampian	National CHI Module	Information Systems Support Group	CSC	January-February 1998
Greater Glasgow	National CHI Module	Information Systems Support Group	CSC	January-February 1998
Highland	PINNACLE based module	Fraser Williams and in-house input	CSC	4 March 1998
Lanarkshire	National CHI Module	Information Systems Support Group	CSC	January-February 1998
Lothian	National CHI Module	Information Systems Support Group	CSC	January-February 1998
Orkney	National CHI Module	Information Systems Support Group	CSC	January-February 1998
Shetland	National CHI Module	Information Systems Support Group	CSC	January-February 1998
Tayside	OCCURS	In-house NHS development	CSC	Ongoing
Western Isles	National CHI Module	Information Systems Support Group	CSC	January-February 1998

TRADE AND INDUSTRY

Arms Exports

Ann Clwyd: To ask the President of the Board of Trade if she intends to insert information on the number of small arms and other military, security and police equipment contained within each export licence granted into the Annual report. [40385]

Mrs. Roche: I refer my hon. Friend to the answer given on 8 April 1998, *Official Report*, column *321*, by my hon. Friend the Minister of State, Foreign and Commonwealth Office to the hon. Member for Portsmouth, South (Mr. Hancock).

Mr. Hancock: To ask the President of the Board of Trade how many items of each type of defence equipment were exported to *(a)* Malaysia, *(b)* Thailand, *(c)* Indonesia and *(d)* Singapore over the last six years. [29162]

Mrs. Roche: Licences to export arms and other goods where export is controlled for strategic reasons are issued by the President of the Board of Trade, and the Export Control Organisation of the Department of Trade and Industry is the licensing authority. All relevant individual licence applications are circulated by the DTI to other Government Departments with an interest, as determined by them in line with their policy responsibilities. These include the Foreign and Commonwealth Office, the Ministry of Defence, and the Department for International Development. While the Export Control Organisation maintains records of licence applications, it does not compile records of licensed exports. Some licences are used only in part, while others may not be used at all. The extent to which the exports permitted by a licence are made is dependent on various factors, for example the customer's requirements may be less than originally expected or the expected contract may simply not materialise.

WALES

Milk Industry

Mr. Wigley: To ask the Secretary of State for Wales what assessment he has made of the effect of the present state of the milk industry on ancillary industries, rural employment and the rural economy of Wales. [39741]

Mr. Win Griffiths: I am conscious that there is a significant economic multiplier effect associated with dairy production in Wales, and that the present low milk producer prices situation will be having a negative impact on rural businesses. An estimate of the multiplier effect in the dairy sector is given in a recent report published by the Welsh Institute of Rural Studies entitled "LFA Policy in Wales: A Review of the Socio-Economic and Environmental Effects of the HLCA scheme". It states that using 1991 estimates for the milk production sector, for every on farm job there are 0.25 jobs in other industries in Wales.

EU Structural Funds

Mr. Wigley: To ask the Secretary of State for Wales on what date the final proposal of the Welsh Office for a new NUTS 2 map for Wales was submitted to the Office for National Statistics; and if he will make a statement on the time taken to draw up this submission. [40359]

Mr. Hain: The NUTS 2 boundaries for the United Kingdom are under discussion between the Office for National Statistics and Eurostat (the statistical office of the European Commission). The Welsh Office, in common with other Departments, is in regular contact with the Office for National Statistics on the handling of the proposals relating to the NUTS 2 boundaries in Wales. It has not proved possible so far to reach agreement with Eurostat on the original proposals for the UK put forward in July 1997 and this has necessitated the further consideration that has been taking place.

Education

Mr. Gareth Thomas: To ask the Secretary of State for Wales if local education authorities will be required to submit bids for individual projects funded by the new money for education announced in this year's budget. [40308]

Mr. Hain: The following elements of the additional £12 million budget funding for raising standards in line with Building Excellent Schools Together (BEST) agenda and for the enhancement of skills are being directed to local authorities and schools. The allocation arrangements are as indicated.

	£ million
Raising standards of literacy (books etc).	2.1
Every school over 30 pupils to automatically receive £900, those with 30 pupils or fewer £30 per pupil; Reducing infant class sizes	2.4
LEAs have been asked to submit bids for funding for infant class size reduction grant; Addition to New Deal for schools capital funding.	2.2

LEAs have been asked to bid against an indicative allocation.

LG Project

Mr. Wigley: To ask the Secretary of State for Wales what is his current estimate of the cost to the Welsh Office budget of the LG project during the present financial year; and what was the original estimate. [40363]

Mr. Hain: Direct payments expected to be made to LG from Welsh Office budgets in this financial year will be in respect of the Regional Selective Assistance grant offered to the company. As with all such grant offers, payment is made by instalments which are triggered by the achievement of specified capital expenditure and employment milestones. Details of payments actually released are not disclosed for reasons of commercial confidentiality. Payments made to date have been in line with expectations.

In addition, there will be expenditure by the Welsh Development Agency and the Training and Enterprise Council.

Public Appointments

Ms Julie Morgan: To ask the Secretary of State for Wales, pursuant to his answer of 20 April 1998, *Official Report*, columns *444–45*, if he will list those holding more than one public appointment who receive payment other than expenses for any of the offices held. [40451]

Mr. Ron Davies: 42 people received payments other than expenses for appointments held. I will write to my hon. Friend separately with the details, and place a copy of my reply in the Library of the House.

Ms Julie Morgan: To ask the Secretary of State for Wales, pursuant to his answer of 20 April 1998, *Official Report*, columns *444–45*, how many of the *(a)* women and *(b)* men he has appointed to Welsh quangos since 1 May 1997 receive payments for their appointments other than expenses. [40450]

Mr. Ron Davies: 14 women and 37 men of those I appointed either solely or jointly between 1 May 1997 and 1 March 1998 received payments other than expenses.

Ms Julie Morgan: To ask the Secretary of State for Wales if he will list the names of the chairs and vice-chairs of quangos, including health authorities and trusts, who have been appointed or reappointed since 1 May 1997, indicating what payment they receive. [40433]

Mr. Ron Davies: I have re-appointed 3 Chairs and made 5 fresh appointments to Chair. I have re-appointed 2 Deputy Chairs to Executive Non Departmental Public Bodies and NHS bodies since 1 May 1997. These are:

Chair

Mr. R. P. V. Rees, OBE, Welsh Health Common Services Authority: £15,125 p.a. (Re-appointment)

Mrs. K. E. Thomas, Bro Taf Health Authority: £19,285 p.a. (Re-appointment)

Mr. D. H. Thomas, Morgannwg Health Authority: £19,285 p.a. (Re-appointment)

Mrs. F. Peel, Gwent Health Authority: £19,285 p.a.

Councillor P. Law, Gwent Community NHS Trust: £19,285 p.a.

Mr. T. Norreys, Llanelli Dinefwr NHS Trust: £17,145 p.a.

Mr. G. E. Pritchard, Wales Ambulance Services NHS Trust: £19,285.

Mr. D. Durham, Llandough Hospital & Community NHS Trust: £17,145.

Deputy-Chair

Professor D. Q. Bowen, Countryside Council for Wales: £14,076 p.a.

Hon. R. W. Lewis, OBE, Welsh Development Agency: £25,030 p.a.

Information about all the appointments I make is contained in the publication 'Appointments by the Secretary of State for Wales' a copy of which is available in the Library of the House.

Out-of-school Clubs

Mr. Barry Jones: To ask the Secretary of State for Wales what progress has been made in the extension of out-of-school-hours clubs. [40653]

Mr. Hain: The National Lottery Bill which is currently before Parliament, will establish the New Opportunities Fund—the sixth good cause. The Government are investing £200 million from the New Opportunities Fund to help expand out of school learning across the UK and is also seeking the active involvement of partners from the business and voluntary sectors. The Welsh Office will be producing a framework document to raise awareness of what out of school learning can achieve and to offer guidance and support for schools and others in Wales who are considering bidding for lottery funding to establish or develop schemes.

Council Tax

Mr. Llwyd: To ask the Secretary of State for Wales what estimate he has made of the effect on council tax levels in Wales of the discontinuance of the Advanced Corporation Tax Credit scheme. [40994]

Mr. Win Griffiths: None as yet. The abolition of ACT will not start to affect local authorities' pension schemes until 1999–2000. We have given assurances that we will take account of all factors, including those arising from the forthcoming 1998 actuarial valuation, when determining the level of local authority provision for 1999–2000 and subsequent years.

Aerospace (Skills Shortages)

Mr. Barry Jones: To ask the Secretary of State for Wales what assessment he has made of skills shortages in the aerospace industry; and if he will make a statement. [40651]

Mr. Hain: The Welsh Office, in conjunction with a number of other organisations, is undertaking this year a major skills need research project for Wales. The results will be available in the autumn and will provide valuable information on possible skill shortages in all sectors, including the aerospace industry.

Child Care

Mr. Barry Jones: To ask the Secretary of State for Wales what action he is taking to extend child care services; and if he will make a statement. [40652]

Mr. Win Griffiths: I am currently considering the development of a child care strategy for Wales, and I hope to publish my proposals for consultation soon.

Farmers (Bureaucratic Burdens)

Mr. Barry Jones: To ask the Secretary of State for Wales what steps he has taken to reduce bureaucratic burdens on farmers in Wales; and if he will make a statement. [40657]

Mr. Win Griffiths: The study of CAP administration in Wales that my right hon. Friend announced recently is designed to improve the service to farmers. Prospects of reducing bureaucratic burdens on farmers more generally depend on whether Agenda 2000 will simplify the CAP itself.

Under-age Drinking

Mr. Llwyd: To ask the Secretary of State for Wales how many cases of under-age drinking were recorded in Wales in the past three years; and if he will make a statement. [40993]

Mr. Win Griffiths: Information on the number of cases of under-age drinking in Wales is not recorded centrally. The table shows the proportion of children aged 11–16 who reported drinking alcohol at least weekly in 1994 and 1996.

Percentage who drink alcohol at least weekly
11–16 year olds; Wales

Percentage

	Aged 11–12	*Aged 13–14*	*Aged 15–16*	*Aged 11–16*
1994	14.9	26.2	48.2	29.2
1996	18.5	35.0	59.6	37.4

Source:
Health Promotion Wales—Welsh Youth Health Surveys

Brecon Beacons

Mr. Livsey: To ask the Secretary of State for Wales (1) if he will make a statement about proposals to purchase sheep grazing rights on common land for planting trees in order to obtain a nature woodland planting grant in the Brecon Beacons National Park; [40939]

(2) if he will make a statement about the proposed transfer of sheep grazing rights in order to plant trees on common land in the Brecon Beacons National Park; [40938]

(3) if he will immediately investigate plans to transfer common land grazing rights in order to create areas of tree planting in the Brecon Beacons National Park. [40935]

Mr. Win Griffiths: The purchase or transfer of common land grazing rights is a private matter between the parties involved and is not one in which the Secretary of State can intervene.

I understand that the tree planting scheme to which the hon. Member refers has now been dropped.

Household Incomes

Mr. Wigley: To ask the Secretary of State for Wales how many children in Wales are living in households whose income is below the UK national average. [41057]

Mr. Keith Bradley: I have been asked to reply.

It is estimated that in 1995–96, approximately 500,000[1] children in Wales were living in households whose income was below the UK national average.

[1] This figure is the same (to the nearest 100,000) on both the before and after housing costs measures.

Note:

A child is defined as an individual aged under 16 or an unmarried 16 to 18 year old on a course up to and including 'A' level standard.

Source:

The data are taken from Households Below Average Income (HBAI) based on the Family Resources Survey (FRS). The 1995–96 financial year is the latest period for which data are available.

FOREIGN AND COMMONWEALTH AFFAIRS

Nuclear Waste

Ms Roseanna Cunningham: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his policy on *(a)* public consultation and *(b)* public information with regard to the importing of radioactive material into the United Kingdom; when the next authorised consignment of nuclear waste is to enter the United Kingdom, and what is its destination; what discussions he has had with NATO representatives regarding the risk of (i) Chechen and (ii) Iranian acquisition of nuclear materials; what guidelines are in place for United Kingdom negotiations and agreements regarding the processing of international nuclear waste within the United Kingdom; and if he will make a statement. [39915]

Mr. Tony Lloyd *[holding answer 27 April 1998]:* Radioactive material is routinely imported to the UK as part of the day-to-day business of nuclear and non-nuclear industries and research, academic and medical institutions. Such imports are subject to stringent international safety requirements. There is no requirement, however, for the public to be consulted or informed about these routine imports of radioactive material.

The Government's general policy is that radioactive waste should not be imported to or exported from the UK. Some defined exceptions to this rule apply, for example, hospital waste from countries that do not have the facilities to dispose of it safely. It is for the appropriate UK competent authority to assess any applications it receives on its merits. No authorised consignment of nuclear waste is currently destined for import to the UK. Ministers and officials regularly have discussions with our NATO colleagues on a wide range of issues, including those relating to nuclear proliferation.

Visas

Fiona Mactaggart: To ask the Secretary of State for Foreign and Commonwealth Affairs which British posts abroad operate a pre-sift system for people applying for visit visas; and for each such post, how many people were *(a)* advised to withdraw their applications, *(b)* followed that advice, *(c)* pursued their applications and were refused visas and *(d)* pursued their applications and were granted visas in 1996 and 1997 to the latest available date. [40242]

Mr. Fatchett: The overseas Posts that operated a pre-sift system in 1996 and 1997 are as detailed. Records are kept only on the number of applicants that were advised to withdraw and then followed that advice. Records are not kept on subsequent action by such applicants.

	Pre-sift 1996	*Pre-sift 1997*
Abu Dhabi	38	51
Abuja	1,907	2,076
Accra	238	480
Addis Ababa	288	513
Amman	2,140	1,901
Amsterdam	713	964
Bahrain	12	33
Baku	10	15
Bangkok	1,466	1,490
Banjul	531	750
Beirut	0	5
Belgrade	0	712
Bombay	4,022	3,839
Calcutta	15	13
Casablanca	50	6
Colombo	166	113
Compenhagen	67	112
Dakar	0	32
Damascus	167	179
Dhaka	721	808
Dubai	348	216
Dublin	179	177
Dusseldorf	340	240
Geneva	43	21
Hanoi	0	3
Hong Kong	70	0
Islamabad	12,987	8,375
Istanbul	199	112
Kathmandu	0	151
Khartoum	109	54
Kingston	1,195	1,210
Lagos	1,283	3,515
Lima	3	0
Luxembourg	0	6
Madras	2,634	2,786
Manila	22	229
Muscat	4	0
Nairobi	0	217
New Delhi	6,054	4,369
Oslo	169	208
Panama City	0	4
Paris	0	829
Peking	66	126
Quito	0	87
Rome	697	328
Sana'a	0	404
Sofia	94	0
Stockholm	244	46
Tashkent	126	18
Tehran	2,065	1,635
Tokyo	0	144
Vilnius	9	3
Washington	0	218
Wellington	0	37

Fiona Mactaggart: To ask the Secretary of State for Foreign and Commonwealth Affairs how many people from *(a)* Jamaica, *(b)* Barbados, *(c)* India, (b) Pakistan, (e) Russia, (f) Poland, (g) Malaysia, (h) Zimbabwe, (i) Ghana and (h) Bangladesh, (i) applied for, (ii) were granted and (iii) were refused entry clearance as visitors in 1997 to the latest available date. [40315]

Mr. Fatchett: The number of entry clearance applications received in one calendar year rarely equal the total of applications issued and refused. There are several reasons why this occurs. Applicants asked to return for a further interview may not attend; applicants may be awaiting a referral decision or a deferral for sponsor interview; applicants may be waiting for a further interview.

The number of applicants that applied for, were granted and were refused entry clearance as visitors in 1997 in the countries listed are as follows:

Country	*Applied*	*Granted*	*Refused*
Jamaica	2,879	2,719	126
Barbados	558	472	69
India	133,975	120,914	11,624
Pakistan	50,071	37,117	6,664
Russia	107,733	104,430	2,999
Poland	1,095	919	126
Malaysia	3,558	3,243	148
Zimbabwe	1,264	1,037	160
Ghana	18,471	13,760	4,603
Bangladesh	13,115	9,458	3,573

Information is not held centrally on the nationality of applicants and could be obtained only at disproportionate cost.

Pakistan (Ayub Masih)

Mr. David Atkinson: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make representations to the Pakistan Government in response to the death sentence for blasphemy passed upon Ayub Masih on 27 April in a Punjab district court. [41021]

Mr. Fatchett: We regularly raise with the Pakistan Government our concerns about the situation of religious minorities in Pakistan. We have discussed this latest case with our EU partners, and will communicate the EU's concerns about the implementation of the blasphemy laws to the Pakistan Government.

High Commission, Nairobi

Mr. Cox: To ask the Secretary of State for Foreign and Commonwealth Affairs what was the total cost of the building and furnishing of the new British High Commission office in Nairobi, Kenya. [40908]

Mr. Fatchett: The cost of building and furnishing the new High Commission offices in Nairobi was £11 million. This sum includes the cost of two staff houses and amenity facilities in the compound.

Lockerbie

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his oral statement of 29 April 1998, *Official Report*, column 299, if he will request evidence from *(a)* Vincent Cannistraro, *(b)* Oliver North and *(c)* Buck Revell on Lockerbie. [40888]

Mr. Tony Lloyd: It would be inappropriate for the investigating and prosecuting authorities to give details of the investigative steps which have been or will be taken in advance of a criminal trial.

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his oral statement of 29 April 1998, *Official Report*, column 299, what factors led him to conclude that the use of an international court at The Hague, operating under a Scots judge, and under Scottish rules of guidance would introduce an arbitrary element into the judicial system. [40887]

Mr. Tony Lloyd: I have nothing to add to the answer my hon. Friend, the Minister of State gave the hon. Member in his statement of 29 April 1998, *Official Report*, columns 296–302.

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his oral statement of 29 April 1998, *Official Report*, column 299, if the Crown Prosecution Service will submit their unseen version of Lockerbie to the scrutiny of a Lord of Appeal in Ordinary; and if he will list those individuals who have seen this version. [40886]

Mr. Tony Lloyd: The place to test the evidence held by the investigating and prosecuting authorities on the Lockerbie bombing, is in a criminal trial of the accused.

It would not be appropriate to list those individuals who have necessarily been briefed on a confidential basis on the evidence.

Lord Whitty

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) if he will make a statement on the arrangements for Lord Whitty's private office, in his capacity as Minister with Special Responsibility for the EU Presidency; [41019]

(2) what is the cost to public funds of Lord Whitty's appointment as Minister with Special Responsibility for the EU Presidency; [41018]

(3) when Lord Whitty's appointment as Minister with Special Responsibility for the EU Presidency was publicly announced; [41049]

(4) when Lord Whitty was officially appointed Minister with Special Responsibility for the EU Presidency. [41050]

Mr. Doug Henderson: As a Government Whip, Lord Whitty is a member of the Government and regularly speaks on FCO business, particularly on EC issues, in the House of Lords. In that context he frequently carries out official duties on behalf of the FCO, in particular in relation to the UK Presidency of the EU. There are no additional costs to public funds for his performance of these duties, nor are any additional staff provided.

Forced Marriages Leaflet

Mr. Laxton: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to circulate the Consular Services leaflet, "Forced Marriages—Your Rights Abroad", to all appropriate outlets. [40640]

Mr. Fatchett: The Foreign and Commonwealth Office leaflet, "Forced Marriages—Your Rights Abroad" was sent to 4,291 libraries and 210 students unions throughout the UK in February. It is available in English and Bengali and can be obtained from some Citizens Advice Bureaux,

free of charge from Consular Division of the Foreign and Commonwealth Office, or from our Embassies and Consulates overseas.

Public Bodies

Mr. Öpik: To ask the Secretary of State for Foreign and Commonwealth Affairs how many and what proportion of his Department's appointees to non-departmental public bodies are (i) aged under 25, (ii) aged 25 to 30 and (iii) aged 31 to 35 years. [40745]

Mr. Tony Lloyd: None of my Department's appointments to non-departmental public bodies are (i) aged under 25, (ii) aged 25–30, or (iii) aged 31–35. The Government are committed to encouraging a wide range of candidates to apply for positions on the boards of public bodies, reflecting the diverse society in which we live. This includes encouraging more young people to put themselves forward as potential candidates for public appointments. All appointments are made on merit, and candidates must demonstrate that they have the necessary skills and experience to match the needs of the public body on which they wish to serve.

Polar Bears

Mr. Gordon Prentice: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Governments of the United States and Canada concerning the killing for sport of polar bears. [40763]

Mr. Fatchett: My right hon. Friend the Foreign Secretary made no representations to either government. Sport killing of polar bears is not permitted in the US.

Ghazanfer Ali

Mr. Singh: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps the Government are taking to secure the release of Ghazanfer Ali, currently in prison in Mirpur, accused of murder. [40830]

Mr. Fatchett: We cannot make formal consular representations on Ghazanfer Ali's behalf, since he is not a British national. Our High Commission in Islamabad will continue to follow his case. We are concerned that he should receive a speedy and fair trial.

Computers (Hacking)

Mr. Matthew Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the extent to which outside individuals have attempted to hack into his Department's computer systems; what reports are compiled on such attempts; how often reports are compiled; and what is their current security classification. [40673]

Mr. Tony Lloyd: The connection of high level protectively marked systems to public data networks is not permitted. Low level systems may be connected if a security architecture, which includes firewall technology and can monitor hacking attacks is used. The FCO is a contributing Department to the Government-wide Unified Incident Reporting and Alert Scheme (UNIRAS) run by the Security Service. Security Incidents including hacking attempts are reported to this scheme. An annual report, protectively marked RESTRICTED, is produced by the Security Service.

Tibet

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations Her Majesty's Government made to *(a)* the United Nations to re-open its debate on the issue of Tibet and *(b)* the EU to investigate the treatment and status of Tibetans in Tibet before and during the EU delegation to Tibet in May. [40618]

Mr. Fatchett: We believe that the best way of addressing the issue of Tibet is to raise it with the Chinese authorities at every opportunity. The EU delegation visiting Tibet includes the Ambassadors of the UK, Austria and Luxembourg. It is expected to have extensive discussions with the leaders of the Tibetan Autonomous Region, religious leaders and ordinary Tibetans.

Armed Forces (Minimum Age)

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what progress has been made in the United Nations working group negotiating the optional protocol to the United Nations Convention on the Rights of the Child to raise the minimum age of recruitment into the armed forces. [40623]

Mr. Tony Lloyd: The United Nations Working Group on Optional Protocol to the UN Convention on the Rights of the Child on the involvement of children in armed conflict was unable to reach agreement on the next of the draft protocol at its fourth session from 2 February to 10 February 1998. The particular views expressed by delegations in the discussions are set out in the report of the working group, published by the Office of the UN High Commissioner for Human Rights in Geneva.

On 22 April 1998 the UN Commission on Human Rights decided by consensus to encourage the Chairman of the Working Group to conduct broad informal consultations with the aim of promoting an early agreement on the protocol and to produce a report on the consultations by the end of 1998, including, if possible, recommendations on the best way for the formal negotiations to proceed. The Commission has requested the working group to meet early in 1999 to consider the chairman's report and to report to the 55th session of the Commission on Human Rights. The commission has also reaffirmed the aim of finalising the draft optional protocol by the 10th anniversary of the Convention on the Rights of the Child on 20 November 1999.

East Timor

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement regarding the proposed EU Troika Ambassadors' visit to East Timor. [40614]

Mr. Fatchett: Detailed arrangements for the visit are going ahead, in liaison with EU partners. This is now likely to take place in early June.

Street Children

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list his Department's missions which have been targeted on the provision of safe havens for street children in Central and South America. [40622]

Mr. Tony Lloyd: The following posts have contributed to projects supporting safe havens for street children in Central and South America: Asuncion, Bogota, Brasilia, Caracas, Guatemala City, Lima, Managua, Mexico City, Panama City, Quito, Rio de Janeiro, San Salvador, Sao Paulo and Tegucigalpa.

Child Labour

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the British and Philippines initiative on child labour. [40628]

Mr. Fatchett: My right hon. Friend the Foreign Secretary and Secretary Siazon of the Philippines announced in London at the Asia-Europe Summit on 1 April the launch of an initiative to promote co-operation between Asia and Europe on child welfare. The initiative will take the form of a meeting of governmental and non-governmental child welfare experts from the ASEM states to take place in London on 6–8 October 1998. The meeting will focus on practical co-operation to promote child welfare and tackle the commercial sexual exploitation of children and child sex tourism. Possible outcomes include improved co-ordination of training programmes, an ASEM children website and a database of child welfare projects. The meeting will also aim to promote best practice and improve co-operation on child welfare issues.

The initiative will not address directly issues of child labour.

Ethnic Minority Employees

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs what targets he has set for an increase in ethnic minority employees in the Foreign Office. [41010]

Mr. Tony Lloyd: The FCO aims to increase the number of ethnic minority applicants to the Diplomatic Service in 1998 by 100 per cent. over the 1996/97 figure of 480. Recruitment will continue to be on the basis of merit.

My right hon. Friend the Foreign Secretary's aim is that at least 10 per cent. of all recruits to the Diplomatic Service in 1998/99 should be from minority ethnic communities.

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs what strategy has been devised by Linbert Spencer in respect of increasing the number of ethnic minority employees within his Department. [40922]

Mr. Tony Lloyd: The FCO is working to a strategy entitled "Bridges into the Future", devised by Linbert Spencer and endorsed by my right hon. Friend the Foreign Secretary, to increase the number of ethnic minority employees. The aim is to create an environment within, and an image of, the FCO which is more attractive to ethnic minority communities and supportive of ethnic minority staff. The strategy covers various areas of activity: recruitment, media, staff communication, learning and development, community outreach, and specific high profile events.

The main elements of the recruitment plan are:

Community Forums: the aim of these is to inform minority ethnic communities and prospective applicants about the role and activities of the FCO. The events are organised in conjunction with minority ethnic groups.

Advertorials: A series of targeted advertorials about the FCO in minority ethnic media titles. Advertorials are also being distributed through selected universities and organisations addressing race issues.

Recruitment Fair: To be held in FCO on Wednesday 17 June, mainly for graduate level applicants. Minority ethnic applicants are one of the target groups.

Other activities include ongoing training for all staff under the headings of Equal Opportunities and Management of Inclusion, a mentoring scheme launched in April 1998, and career auditing which is being prepared.

Turkey

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs how many British citizens have gone missing in Turkey in the last 10 years; and how many have not subsequently been traced. [40846]

Mr. Fatchett: 174 British nationals have been reported missing in Turkey in the last 10 years. We have no way of knowing how many people have not subsequently been traced. Friends and relatives are quick to report missing persons but do not usually tell us once the person has made contact. We have information on only one current whereabouts inquiry and we have no reason to believe that any of the 174 others are still missing.

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on diplomatic relations with Turkey. [40847]

Mr. Doug Henderson: We attach great importance to our relations with Turkey, and value our dialogue on a wide range of issues.

As Presidency of the European Union, we are also working with our European partners and the European Commission to draw up a strategy to prepare Turkey for accession on the basis set out at the December 1997 European Council at Luxembourg.

Edgar Fernandes

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs what negotiations he has had with his Turkish counterparts over the disappearance of Edgar Fernandes; and what representations he has made to the Turkish Government to step up efforts to trace Mr. Fernandes. [40845]

Mr. Fatchett: None. Our Consulate in Istanbul has asked the Head Prosecutor in Istanbul to investigate urgently the disappearance of Mr. Fernandes. Our Embassy in Ankara has asked the Head of the Foreign Police in Turkey to take all possible action to trace Mr. Fernandes.

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has received concerning the whereabouts of Edgar Fernandes, missing in Turkey. [40843]

Mr. Fatchett: Representations have been made by several members of Edgar Fernandes' family, their constituency Member of the House, my right hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) and two Members from the other House.

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs what action the Government are taking to trace the whereabouts of Edgar Fernandes. [40844]

Mr. Doug Henderson: Interpol UK is liaising with the authorities in Turkey, Malta and Egypt to trace Mr. Fernandes. Our staff in Istanbul have raised the matter with the Turkish authorities.

Echelon System

Mrs. Ewing: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the uses of the Echelon system. [40454]

Mr. Robin Cook: No. It is long-standing practice not to respond to allegations about the details of intelligence operations.

Forced Labour

Sir John Stanley: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 24 April 1998, *Official Report*, columns *721–22*, which countries have *(a)* signed but not ratified and *(b)* signed and ratified (i) the International Covenant on Civil and Political Rights, (ii) the United Nations Supplementary Convention on the Abolition of Slavery, the Slave Trade and Institutions and Practices Similar to Slavery, (iii) the International Labour Organisation Convention (No. 29) concerning forced labour and (iv) the International Labour Organisation Convention (No. 105) concerning the abolition of forced labour. [40832]

Mr. Tony Lloyd: The following countries have signed but not ratified the ICCPR:

Honduras
Liberia
Sao Tome and Principe and South Africa

All other UN member states have ratified the Covenant except:

Andorra
Antigua and Barbuda
Bahamas
Bahrain
Bangladesh
Bhutan
Botswana
Brunei Darussalam
Burkina Faso
Burma
China
Comoros
Cuba
Djibouti
Eritrea
Federated States of Micronesia
Fiji
Ghana
Guinea-Bissau
Indonesia
Kazakstan
Kiribati
Lao People's Democratic Republic
Liechtenstein
Malaysia
Maldives
Marshall Islands
Mauritania
Monaco
Nauru
Oman
Pakistan
Palau
Papua New Guinea
Qatar
Saint Kitts and Nevis
Saint Lucia
Samoa
Saudi Arabia
Singapore
Solomon Islands
Swaziland
Tajikistan
Tonga
Turkey
Tuvalu
UAE
Vanuatu.

The following countries have signed but not ratified the UN Supplementary Convention on the Abolition of Slavery:

El Salvador
Liberia and Peru

All other member states have ratified the Convention except:

Andorra
Angola
Armenia
Belize
Benin
Bhutan
Botswana
Brunei Darussalam
Burkina Faso
Burma
Burundi
Cape Verde
Chad
China
Colombia
Comoros

Costa Rica
DPRK
DRC
Equatorial Guinea
Eritrea
Estonia
Federated States of Micronesia
Gabon
Gambia
Georgia
Grenada
Guinea-Bissau
Guyana
Honduras
Indonesia
Japan
Kazakstan
Kenya
Kiribati
Lebanon
Liechtenstein
Lithuania
Maldives
Marshall Islands
Mauritius
Monaco
Mozambique
Namibia
Nauru
Oman
Palau
Panama
Papua New Guinea
Paraguay
Qatar
Republic of Korea
Republic of Moldova
Rwanda
Saint Kitts and Nevis
Samoa
San Marino
Sao Tome and Principe
Somalia
South Africa
Swaziland
Tajikistan
Thailand
Tonga
Tuvalu
UAE
Uruguay
Uzbekistan
Vanuatu
Venezuela
Vietnam
Yemen.

The ILO does not have a mechanism for signature without ratification. All UN member states except the following have ratified ILO Convention No. 29:

Afghanistan
Andorra
Armenia
Bhutan
Bolivia
Brunei Darussalam
Canada
China
DPRK
Equatorial Guinea
Eritrea
Ethiopia
Federated States of Micronesia
Gambia
Kazakstan
Kiribati
Latvia
Liechtenstein
Malawi
Maldives
Marshall Islands
Monaco
Mongolia
Mozambique
Namibia
Nauru
Nepal
Oman
Palau
Philippines
Qatar
Republic of Korea
Republic of Moldova
Rwanda
Saint Kitts and Nevis
Saint Vincent and the Grenadines
Samoa
Sao Tome and Principe
Tonga
Turkey
Tuvalu
USA
Vanuatu
Vietnam
Zimbabwe.

All UN member states except the following have ratified ILO Convention No. 105:

Andorra
Armenia
Azerbaijan
Bahrain
Bhutan
Bosnia and Herzegovina
Brunei Darussalam
Bulgaria

Burma
Cambodia
Chile
China
Congo
DPRK
DRC
Equatorial Guinea
Eritrea
Ethiopia
Federated States of Micronesia
Gambia
India
Indonesia
Japan
Kazakstan
Kiribati
Kyrgyzstan
Lao People's Democratic Republic
Lesotho
Liechtenstein
Madagascar
Malawi
Maldives
Marshall Islands
Monaco
Mongolia
Namibia
Nauru
Nepal
Oman
Palau
Qatar
Republic of Korea
Romania
Russian Federation
Saint Kitts and Nevis
Saint Vincent and the Grenadines
Samoa
Sao Tome and Principe
Solomon Islands
Sri Lanka
Tajikistan
Former Yugoslav Republic of Macedonia
Togo
Tonga
Tuvalu
Ukraine
Vanuatu
Vietnam
Yugoslavia
Zimbabwe.

Human Rights

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list his Department's missions which were involved in human rights activities in 1997–98. [40624]

Mr. Tony Lloyd: Human rights are a key objective in the FCO's Mission Statement and all overseas posts are aware of their importance. Posts regularly raise human rights issues in bilateral contacts. The Government's first annual report, published in April, illustrates activities in respect of human rights in some 70 countries.

Council of Europe

Mr. Quinn: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the forthcoming business in the Council of the European Union for May and the major European Union events for the next six months. [40785]

Mr. Doug Henderson *[pursuant to his reply, 30 April 1998, c. 215–17]:* Owing to an administrative error the monthly forecast of business for May was omitted from the above answer to my hon. Friend.

A revised table is as follows:

Monthly Forecast of Business for May 1998

The following Councils are scheduled:

May 1998		
1–3	Brussels	Ecofin & Special EMU Council
7	Brussels	Industry Council
11	Brussels	Energy Council (t.b.c.)
18	Brussels	Development Council
18	Brussels	Internal Market Council
19	Brussels	Telecommunications Council
19	Brussels	ECOFIN Council
25–26	Brussels	General Affairs Council
25–26	Brussels	Agriculture Council
28	Brussels	Culture and Audiovisual
28–29	Brussels	Justice & Home Affairs Council

The following subjects are likely to be discussed:

May 1–3: ECOFIN & Special EMU Council

Article 104c excessive deficit procedure (notably abrogations of excessive deficit decisions).

Council recommendations under Article 109j(2).

Decision under Article 109j(4), on the basis of the recommendations of the Council, taking into account the reports of the Commission and the EMI and the opinion of the European Parliament.

Council conclusions pre-announcing the bilateral conversion rates of participating member states.

Council recommendation on the appointment of the members of the Executive Board of the ECB.

Formal adoption of: Council regulation on the introduction of the euro (Article 109i(4)), and Council regulation on denominations and technical specifications of euro coins (Article 105a(2)).

May 7: Industry Council

Factors affecting competitiveness and finance for innovation: Debate.

Shipbuilding: Adoption of new Council Regulation on State aids.

State Aid: Procedural regulation: Orientation debate.

Entrepreneurship: Exchange of views on Commission Communication, BEST report and Enterprising Europe Conference.

SMEs: Presentation of draft Directive on Late Payment.

Steel: Council Resolution on financial aspects of expiry of the ECSC Treaty.

Steel State Aid Monitoring Report: Commission presentation.

PECOs steel industry: Commission Communication.

Delocalisation: Information from the Commission.

Textile industry: Council Conclusions.

Construction industry: Council Conclusions.

Century date change problem: Presentation of the Commission's Communication.

High Level Group on Industrial Change (Gyllenhammar Group): Information from the Commission.

May 11: Energy Council (tbc)

Amended Proposal for a European Parliament and Council Directive concerning common rules for the internal market in natural gas: Progress report following adoption of common position.

Proposal for a Council Decision concerning a framework programme for energy activities in the energy sector (1998–2002): Adoption.

Proposal for Council Decision concerning a multi-annual programme for the promotion of renewable energy sources in the Community (ALTENER II): Adoption.

Energy and Environment, covering—Climate change: The Energy response to Kyoto—White Paper on renewables and Action Plan—Communication on combined heat and power—Communication on the economics of energy efficiency and new energy technologies (possible item): Open debate and Council conclusions.

Implementation of the Electricity Directive: Presentation and debate.

Report on the Review of Coal State Aids Decision: (possible) Presentation by the Commission.

Clean Coal Technology: (possible) Presentation by the Commission.

Organisation of co-operation around agreed Community energy objectives: (possible) Council resolution.

Communication and Proposal to amend Directive 68/414 on compulsory oil stocks: (possible) Presentation by the Commission.

European Energy Charter Treaty: State of affairs.

Euro-Mediterranean conference: Preparation for ministerial meeting.

May 18: Development Council (Provisional agenda)

Future ACP/EU relations.

Council conclusions on the international development targets.

Follow-up to the 1993 Poverty Resolution.

Follow-up to the 1995 Gender Resolution.

Evaluation of Community projects in the ACP: Progress report.

Commission paper on indigenous peoples.

Micro-finance.

Final adoption of Regulations currently under discussion.

Follow-up to the DAC review.

Food Aid (possible item).

Humanitarian Aid (possible item).

May 18: Internal Market Council

Action plan for the Single Market—Updated version of the "scoreboard"—Joint Work Programme of the three Presidencies—Standards—"Citizen First": Progress reports, debate.

Simplification of legislation—SLIM initiative—BEST project: Progress report by the Commission, debate.

Proposal for a Regulation on free movement of goods: Adoption.

European company statute: Common position.

Directive on Classification, Packaging and Labelling of Dangerous Substances: Common position.

Directive to extend product liability to foodstuffs: Common position.

Directive on construction of buses and coaches: Common position (possible item).

Directive on type approval of vehicles for transporting animals: Common position.

3rd Directive on Mutual Recognition of Qualifications: Common position.

Revision of Regulation on EMEA fees: Adoption.

Amendments of Community Customs Code (non-transit articles): Common position (possible item).

Intellectual property rights for the Information Society: Common position (possible item).

Directive on legal protection of designs: Adoption (possible item).

Directive on legal protection of biotechnical inventions: Adoption (possible item).

Completing the Single Market for Pharmaceuticals: Presentation by the Commission (possible item).

Directive on Electronic Commerce: presentation by the Commission.

May 19: Telecommunications Council

Proposal for a European Parliament and Council Directive on digital signatures and security of communications: (possible) Common position.

Proposal for a European Parliament and Council Decision on universal mobile telecommunications system (UMTS): Common position.

Multiannual Community Action Plan on promoting safe use of the Internet: Adoption.

Proposal for a European Parliament and Council Decision on Interchange of Data between Administrations (IDA II): (possible) Common position.

May 19: ECOFIN Council

Preliminary Draft Budget proposals for 1999: Commission presentation.

Employment: Preparation of Cardiff European Council.

SEM 2000.

Fight Against Fraud 1997: Progress report.

Fight Against Fraud 1998–99: Work programme.

Alcohol and tobacco fraud: Report.

Supplementary pensions (follow up to green paper): Presentation/debate.

SLIM (VAT) proposals: Orientation debate (possible item).

Preparation of Stage 3 of EMU.

Agenda 2000: Preparation of Cardiff European Council.

May 25–26: General Affairs Council

Council Decision on EC/Pakistan and EC/Bangladesh agreements (A point).

Euratom/Japan nuclear co-operation agreement: Negotiating directives (possible A Point).

Report on Joint Action on Racism and Xenophobia.

Lomé.

Mediterranean Policy.

G7/G8 Summit: Report.

EU/US Summit: Report.

EU/Canada Summit: Report.

Preparations for Cardiff European Council (possible item).

Mexico (possible item).

Western Balkans.

Great Lakes.

Middle East Peace Process.

Armaments Exports Policy (possible item).

World Trade Organisation: Ministerial report.

Russia: World Trade Organisation Accession.

China: World Trade Organisation Accession.

Commission Communication on China (possible item).

May 25–26: Agriculture Council

Agenda not yet available.

May 28: Culture and Audiovisual

Proposal for a European Parliament and Council decision establishing a Community initiative for the "European City of Culture" event after 2001: Common position.

The future of co-operation in the cultural field—proposal for a framework programme to replace Kaleidoscope, Ariane, Raphael: Presentation and political debate.

Green Paper on culture and employment: Political debate.

Second report on the integration of cultural aspects into European Community action (Art 128 paragraph 4 of the Treaty): Presentation by the Commission.

Proposal for a Council recommendation concerning the protection of minors and human dignity in audiovisual and information services: Adoption.

European Audiovisual Conference—Birmingham 6–8 April 1998: Information by the Presidency.

Green paper on cultural diversity in audiovisual and information services: Presentation by the Commission (possible item).

Green Paper on the regulatory implications of the technical convergence of telecommunications, media and information technologies: Presentation by the Commission (possible item).

May 28–29: Justice and Home Affairs

Convention on Admission of Third Country Nationals (possible item).

Council decision on monitoring of implementation of asylum instruments.

Joint Action on Temporary Protection.

Eurodac: Implementation: Technical specifications (possible item).

Joint action on uniform sheet for affixing visas where person not in possession of a recognised document.

Schengen: Negotiations with Norway and Iceland.

Elements of Organised Crime Action Plan (report to the European Council).

Pre-Accession Pact on Organised Crime.

Convention on Mutual Legal Assistance.

Drugs activities: Progress report.

Terrorist Funding (or other measures/discussions of terrorism).

Europol: Implementation: Review of progress.

Action taken under Joint Action on MOUs between customs administrations and the business community: Report.

Action taken on the Resolution on Customs/Police Co-operation: Report.

Action Plan on Customs controls of container traffic (possible item).

Joint action on Confiscation of Drug Traffickers' Assets.

Joint action on Payment Card Crime.

Explanatory reports on Fraud/Corruption instruments.

Instrument on private sector corruption.

Convention on Driving Disqualification: Conclusion and signature.

Brussels II Convention on matrimonial matters: Conclusion and signature.

Review of progress and prospects in other civil judicial co-operation matters: Revision of Brussels and Lugano Conventions: European Enforcement Order.

Racism and Xenophobia: Report on implementation.

European Calendar: May-October 1998

This calendar is primarily concerned with European Union matters, but certain other relevant events are also included. Events and dates quoted are based on the information available on the date of issue.

May 1998		
1–3	Brussels	Ecofin and Special EMU Council
5	Brussels	Political Committee (t.b.c.)
5–6	Belfast	EU Ministers Womens Forum (Informal)
7	Brussels	Industry Council
7–8	Barbados	ACP-EC Council
8	London	EU/Japan Troika Ministerial (t.b.c.)
8–9	London	G8 Foreign and Finance Ministerial
10–12	Newcastle	Meeting of Agriculture Ministers
11	Brussels	Energy Council (t.b.c.)
11	Brussels	Euro-Med Energy Ministerial
11–15	Strasbourg	European Parliament Plenary
12	Brussels	Political Committee
14	London	EU/Canada Summit
14–15	London	Innovative Partnerships for Competitiveness Conference
14–16	London	Conference on Culture and Employment
15–17	Birmingham	G8 Summit
18	London	EU/US Summit
18	Brussels	Development Council
18	Brussels	Internal Market Council
18–20	Northern Ireland	Regional Affairs Committee
19	London	Conference on Developing EU Public Health Policy
19	Brussels	Telecommunications Council
19	Brussels	ECOFIN Council

HEALTH

Ill Health

Mr. Peter Bottomley: To ask the Secretary of State for Health what research his Department has *(a)* commissioned and *(b)* evaluated into the linkage between increased absolute and relative ill health and (i) social and (ii) economic classification. [28827]

Ms Jowell: We have commissioned Sir Donald Acheson to carry out an Independent Inquiry into Inequalities in Health, which, as part of its work, is reviewing the link between inequalities in health and social and economic status. The White Paper which will follow the *Our Healthier Nation* Green Paper will set out the Government's approach to research on public health and inequalities in health. On 6 May I announced that the Department had commissioned eight research projects at a cost of £1.7 million to examine practical means of addressing health inequalities.

Nicotine Replacement Therapy

Dr. Gibson: To ask the Secretary of State for Health (1) if he will commission research in order to assess the use of nicotine replacement therapy; [39569]

(2) what plans he has to encourage the use of nicotine replacement therapy to wean people from smoking; [39567]

(3) what assessment he has made of the effectiveness of nicotine replacement therapy. [39568]

Ms Jowell: We are currently considering ways in which to help people quit smoking, including the role of nicotine replacement therapies and their effectiveness, as part of our strategy to reduce tobacco consumption.

Our conclusions will form part of the Tobacco Control White Paper, which will be published later this year.

Vitamin C

Mr. Edwards: To ask the Secretary of State for Health what assessment he has made of recent research concerning the adverse effects of excess intake of vitamin C; and if he will make a statement on the procedures used by the Government to advise the public on such matters. [40012]

Ms Jowell: The Department is aware of recent research funded by the Ministry of Agriculture, Fisheries and Food and carried out at the University of Leicester on possible adverse effects of excess intake of vitamin C.

An expert group on vitamins and minerals is being established to look at the need for safety limits on the levels of vitamins and minerals in dietary supplements. It will review the available science and, where appropriate, recommend maximum levels. The new expert group will report to the Food Advisory Committee which will consider its findings and make recommendations to Ministers. Ministers will then consider what action is necessary and how to advise the public on any risks.

Hospital Closures

Mr. Gill: To ask the Secretary of State for Health if he will list the hospitals in England and Wales currently subject to proposals for *(a)* closure and *(b)* downgrading. [40483]

Mr. Milburn: The information requested is not collected centrally.

Health Care Assistants

Helen Jones: To ask the Secretary of State for Health what guidance he has given to National Health Service trusts on the provision of training for health care assistants. [40469]

Mr. Milburn: The provision of training for health care assistants is the responsibility of National Health Service employers.

Helen Jones: To ask the Secretary of State for Health if he will list *(a)* the number of health care assistants employed by each National Health Service trust in the North West Region and *(b)* the percentage of the total trust workforce each figure represents. [40470]

Mr. Milburn: The information requested is given in the table.

NHS Hospital and Community Health Services (HCHS) health care assistants and percentage of health care assistants within the total NHS HCHS workforce in north west regional office area by trust as at 30 September 1996

Whole-time equivalents

	HCAs	*Total HCHS workforce*	*Percentage of total HCHS workforce*
North West	1,830	97,020	1.9
Mersey Regional Ambulance Service NHS Trust	[1]—	970	0.0
Wirral Hospital NHS Trust	10	3,610	0.3
St. Helens and Knowsley Hospitals NHS Trust	110	3,280	3.4
Chester and Halton Community NHS Trust	30	640	4.7
Liverpool Cardiothoracic NHS Trust	[1]—	630	0.0
Royal Liverpool Children's Hospital NHS Trust	[2]—	1,690	0.0
The Mid Cheshire Hospitals NHS Trust	150	1,990	7.5
Central Manchester Healthcare NHS Trust	[2]—	4,810	0.0
Christie Hospital NHS Trust	[2]—	1,040	0.0
South Cumbria Community and Mental Health NHS Trust	10	530	1.9
Westmorland Hospitals NHS Trust	[1]—	500	0.0
Aintree Hospitals NHS Trust	110	3,250	3.4
Clatterbridge Centre for Oncology NHS Trust	[1]—	330	0.0
Liverpool Womens Hospital NHS Trust	80	730	11.0
Southport and Formby NHS Trust	10	1,210	0.8
St. Helens and Knowsley Community Health NHS Trust	[1]—	620	0.0
North Mersey Community NHS Trust	20	2,240	0.9
Walton Centre for Neurology/Neurosurgery NHS Trust	10	380	2.6
Burnley Health Care NHS Trust	[2]—	3,100	0.0
Lancaster Acute Hospitals NHS Trust	[1]—	1,540	0.0
Lancaster Priority Services NHS Trust	[2]—	1,170	0.0
Oldham NHS Trust	60	2,640	2.3
Wrightington Hospital NHS Trust	[1]—	420	0.0
Rochdale NHS Trust	[2]—	2,240	0.0
East Cheshire NHS Trust	20	1,990	1.0
Southport and Formby Community Health Services NHS Trust	[1]—	520	0.0
Warrington Community Health Care NHS Trust	[1]—	1,130	0.0
Countess of Chester Hospital NHS Trust	70	1,660	4.2
Halton General Hospital NHS Trust	20	730	2.7
Cheshire Community Healthcare NHS Trust	[1]—	630	0.0
Chorley and South Ribble NHS Trust	[2]—	1,520	0.0
West Lancashire NHS Trust	30	1,250	2.4
Calderstones NHS Trust	20	1,260	1.6
Wigan and Leigh Health Services NHS Trust	10	3,830	0.3
Warrington Hospital NHS Trust	240	1,810	13.3
West Cheshire NHS Trust	50	660	7.6
Wirral Community Health Care NHS Trust	20	1,130	1.8

NHS Hospital and Community Health Services (HCHS) health care assistants and percentage of health care assistants within the total NHS HCHS workforce in north west regional office area by trust as at 30 September 1996

Whole-time equivalents

	HCAs	*Total HCHS workforce*	*Percentage of total HCHS workforce*
South Manchester University Hospitals NHS Trust	—	4,690	0.0
Salford Royal Hospitals NHS Trust	10	2,800	0.4
Trafford Healthcare NHS Trust	10	2,170	0.5
Mancunian Community Health NHS Trust	10	1,170	0.9
Furness Hospitals NHS Trust	—	1,150	0.0
Greater Manchester Ambulance Service NHS Trust	210	940	22.3
Blackburn Hyndburn and Ribble Valley Healthcare NHS Trust	10	2,560	0.4
Bolton Hospitals NHS Trust	90	2,730	3.3
Lancashire Ambulance Service NHS Trust	—	630	0.0
Communicare NHS Trust	—	930	0.0
Preston Acute Hospitals NHS Trust	110	2,790	3.9
Guild Community Health Care NHS Trust	—	1,050	0.0
Mental Health Services of Salford NHS Trust	—	1,370	0.0
Salford Community Health Care NHS Trust	—	610	0.0
North Manchester Health Care NHS Trust	10	2,730	0.4
Blackpool Wyre and Fylde Community Health Services NHS Trust	—	2,040	0.0
Community Healthcare Bolton NHS Trust	—	640	0.0
Bury Health Care NHS Trust	—	1,890	0.0
Tameside and Glossop Acute Services NHS Trust	—	1,430	0.0
Tameside and Glossop Community/Priority Services NHS Trust	20	1,390	1.4
Blackpool Victoria Hospital NHS Trust	—	2,360	0.0
Stockport Acute Services NHS Trust	40	1,770	2.3
Stockport Healthcare NHS Trust	60	1,860	3.2
Royal Liverpool and Broadgreen University Hospital NHS Trust	170	3,970	4.3
Manchester Childrens Hospitals NHS Trust	—	1,230	0.0

— Denotes zero

0 Denotes less than five and greater than zero

The 210 HCA's for Greater Manchester Ambulance Service NHS Trust are ambulance care assistants

Notes:

Figures are rounded to the nearest ten. Percentages were calculated using the unrounded figures

Source:

Department of Health medical and dental and non medical workforce censuses 1996. The NHS Occupation Code manual defines Health Care Assistants as support staff who are trained, or who are undertaking training, in the various competences related to their job through NVQ or other local HCA training. The figures in the table exclude staff acting as unqualified nurses or therapy helpers or assistants

Helen Jones: To ask the Secretary of State for Health how many health care assistants in England and Wales have obtained national vocational qualifications; and what percentage of the total number of health care assistants that figure represents. [40468]

Mr. Milburn: The information requested is not collected centrally.

Incontinence

Mr. Pike: To ask the Secretary of State for Health when national guidance will be issued to the National Health Service on the treatment of incontinence. [41055]

Mr. Milburn: The National Health Service Executive will conduct a review of continence policy to ensure that the most appropriate and effective continence services are being planned and delivered. The aim will be to issue further guidance on continence services based on the conclusions of the review once it has been completed.

Mr. Pike: To ask the Secretary of State for Health what level of funding his Department has given to voluntary organisations providing support for incontinent people in the UK seeking advice and products outside the NHS. [41053]

Mr. Milburn: The Department runs a scheme whereby voluntary organisations operating in the health and personal social services field can apply for grants under Section 64 of the Health Services and Public Health Act 1968. The following amounts have been paid under this scheme:

Year	*£*
1990–91	10,000
1991–92	nil
1992–93	56,250
1993–94	197,572
1994–95	164,559
1995–96	197,593
1996–97	182,492
1997–98	56,000
1998–99	54,750

Mr. Pike: To ask the Secretary of State for Health what consultation he has had with pharmacists and other health retailers on the future supply of continence pads through the retail sector; and when these meetings were held. [41054]

Mr. Milburn: There have been no such meetings as there are no plans to change the basis of supply of continence pads from the National Health Service to the retail sector.

Neurological Diseases

Dr. Desmond Turner: To ask the Secretary of State for Health if he will list the incidence of *(a)* multiple sclerosis, *(b)* motor neurone disease and *(c)* Alzheimer's disease from 1968 to the present year, broken down by five year intervals. [40862]

Mr. Boateng: This information is not collected in the form requested. However, the information available on the prevalence rates per 10,000 person years at risk are as follows:

	1981–82	*1991–92*
Multiple sclerosis	8	7
Motor neurone disease	n/a	0.6
Alzheimer's disease	n/a	1.2

Information from "Morbidity Statistics from General Practice 1991–1992" gives the following figures:

Incidence rates per 10,000 person years at risk

	Incidence rates
Multiple sclerosis	0.5
Motor neurone disease	0.1
Alzheimer's disease	0.3

Hospital Waiting Times

Mr. Vaz: To ask the Secretary of State for Health if he will list the current waiting times for each medical specialty for each hospital in England and Wales. [40840]

Mr. Milburn: The information requested for England is not available centrally. Information for Wales is a matter for my right hon. Friend the Secretary of State for Wales.

Insulin Pen Needles

Audrey Wise: To ask the Secretary of State for Health what estimate he has made of the extra cost of allowing general practitioners to prescribe injection pen needles to diabetic patients; and how many people would benefit from this change. [40777]

Mr. Milburn: Departmental officials are in discussion with the major suppliers of insulin injection pen needles with a view to refining the cost estimates which are currently between £10 million and £30 million a year. In its different forms diabetes is estimated to affect 2.4 per cent. of the adult population in this country—that is over one million people. 10 to 15 per cent. of those with diabetes are dependent on regular insulin injections and could therefore benefit.

Dental Services

Mr. Gordon Prentice: To ask the Secretary of State for Health for what reasons he did not include targets for oral health in his Green Paper, "Our Healthier Nation". [40306]

Ms Jowell: The Green Paper, "Our Healthier Nation", proposes national targets for improving health in those four areas responsible for the most significant incidence of premature death and avoidable ill health. The proposed targets are:

- to reduce the death rate from heart disease and stroke and related diseases (i.e. all circulatory diseases combined) among people aged under 65 by at least one third (33 per cent.) by the year 2010 from a baseline at 1996;
- to reduce the death rate from all cancers combined among people aged under 65 by at least one fifth (20 per cent.) by the year 2010 from a baseline at 1996;
- to reduce the rate of suicide and undetermined injury deaths for all ages by at least one sixth (17 per cent.) by the year 2010 from a baseline at 1996;
- to reduce the rate of occurrence of accidents (defined as those accidents requiring medical attention at a hospital or by a family doctor) for all people aged 2 and above by at least one fifth (20 per cent.) by the year 2010 from a baseline at 1996.

Local targets will be set to meet particular local needs, which could include oral health. In addition, the Minister of State, my hon. Friend the Member for Darlington (Mr. Milburn), announced to the British Dental Association on 24 April 1998 that oral health would feature in every health improvement programme.

The public consultation on "Our Healthier Nation" ran until 30 April and will be followed with a White Paper later this year.

EDUCATION AND EMPLOYMENT

Nursery Education

16. **Mr. Vaz:** To ask the Secretary of State for Education and Employment if he will make a statement on the provision of nursery education. [40049]

Ms Estelle Morris: 149 out of 150 LEAs have produced Early Years Development Plans demonstrating how they will work in partnership with the private and voluntary sectors to provide a free, high quality, nursery education place from this September for all four year olds whose parents want one.

31. **Mr. Baker:** To ask the Secretary of State for Education and Employment what recent assessment he has made of nursery provision within East Sussex; and if he will make a statement. [40068]

Ms Estelle Morris: The Early Years Development Plan from East Sussex, showing how a free early education place for all four-year-olds whose parents want one will be secured from September 1998, was approved on 27 March.

Schools Spending

18. **Mr. Ruffley:** To ask the Secretary of State for Education and Employment what representations he has received from shire county local education authorities in relation to spending on schools. [40051]

Mr. Byers: My right hon. Friend has received a number of representations.

Educational Opportunities

19. **Helen Jones:** To ask the Secretary of State for Education and Employment what progress has been made on enhancing out of school hours educational opportunities for pupils in the last year. [40053]

Ms Estelle Morris: We have successfully piloted 50 summer schools supporting 1,500 pupils and have expanded the programme elevenfold in 1998 to cover 560 schools and 16,000 pupils. With the help of practitioners and non-government policy makers we have published a national framework for study support. We have also set up study support centres at Newcastle United and Sheffield Wednesday football clubs. In addition, £200 million from the New Opportunities Fund is being made available to support out of school hours learning activities, and 50 pilot projects for this initiative are already underway.

Child Care

20. **Shona McIsaac:** To ask the Secretary of State for Education and Employment how he intends to improve the availability of information about child care services. [40056]

30. **Mrs. Dean:** To ask the Secretary of State for Education and Employment what plans he has to improve the availability of information about child care services. [40067]

Mr. Alan Howarth: We recognise how important it is that all parents have access to information that allows them to choose child care to meet their children's needs. We will shortly be publishing a Green Paper on the national child care strategy, which will consider how good quality information services can be made available in all areas.

28. **Mr. Russell Brown:** To ask the Secretary of State for Education and Employment what role he plans for employers in the development of the national child care strategy. [40065]

Mr. Blunkett: I refer my hon. Friend to the oral reply I gave earlier to my hon. Friend the Member for Aberdeen, South (Miss Begg).

New Deal

22. **Mr. Barnes:** To ask the Secretary of State for Education and Employment what representations he has received on the "New Deal for Schools Capital Programme for England 1998–99" since its publication; and if he will make a statement. [40059]

Mr. Byers: The over £500 million investment arising from the second round of the New Deal for schools will bring badly needed improvements to over 4,000 schools and we have received many representations supporting this programme.

35. **Mrs. McGuire:** To ask the Secretary of State for Education and Employment what arrangements his Department has made to help young unemployed people travel to work and training opportunities under the new deal. [40072]

Mr. Andrew Smith: We have negotiated reduced fares with the Association of Train Operating Companies which will offer New Deal participants 50 per cent. reductions in fares. London Transport (underground and buses) will offer the same discount. In addition, 55 agreements with bus and coach companies throughout the country have been signed, resulting in discounts of between 50 per cent. and 80 per cent.

In addition, young unemployed people on New Deal on the Full Time Education and Training, Voluntary Service and Environment Task Force Options have their travelling costs reimbursed either through an allowance or by the provider.

Summer Literacy Provision

23. **Mr. Ian Stewart:** To ask the Secretary of State for Education and Employment what plans he has for summer literacy school provision. [40060]

Dr. Palmer: To ask the Secretary of State for Education and Employment if he will make a statement on his plans for summer literacy schools. [40063]

Mr. Byers: My right hon. Friend the Secretary of State announced at the Secondary Heads Association conference on March 21, 562 new Summer Literacy Schools for 1998. This is an eleven fold expansion of the 1997 pilot scheme.

Sixth-form Colleges

24. **Mr. Pickthall:** To ask the Secretary of State for Education and Employment if he will make a statement on the funding of sixth-form colleges. [40061]

Dr. Howells: This Government have announced an additional £100 million for the further education sector, including sixth-form colleges, over and above the plans of the previous Government. Funding for 1999–2000 and beyond will be announced later this year.

School Maintenance

25. **Mr. Quinn:** To ask the Secretary of State for Education and Employment how many schools have benefited from the extra money made available for repairs and maintenance since May 1997. [40062]

Mr. Byers: Over 6,000 schools have benefited from the first two rounds of the New Deal for Schools programme. There will be further rounds and we expect this programme to result in an extra £2 billion being spent on improving our schools by the end of this Parliament. In addition we will be announcing in June which schools will benefit from the £35 million made available to remove the need for outside toilets and the £15 million for energy enhancement measures which were included in the March Budget.

Students (Financing)

27. **Mr. Canavan:** To ask the Secretary of State for Education and Employment what recent representations he has received about financing students in higher education. [40064]

Dr. Howells: My right hon. Friend the Secretary of State has received a number of recent representations about our plans for reforming the student support arrangements. We have been keeping in close touch with interested bodies such as the Committee of Vice Chancellors and Principals, the Student Loans Company, the Inland Revenue, the Local Government Association and the National Union of Students and other student bodies and we have been developing the arrangements in consultation with them.

University Applications

29. **Dr. Kumar:** To ask the Secretary of State for Education and Employment if he will make a statement on the latest university applications figures. [40066]

Dr. Howells: Figures from the Universities and Colleges Admissions Service (UCAS) show an increase as at 20 March of nearly 1 per cent. in home student applicants to full-time and sandwich undergraduate courses aged under 21 compared with the position at the same stage last year. The most recent figures for home applicants of all ages show that overall numbers are around 2 per cent. lower. However, the indications are that more people have been applying later as they have become clearer about the Government's proposals. We expect further applications to be submitted, particularly from people aged 21 and over, who tend to apply later than younger applicants.

Education Spending (Rutland)

32. **Mr. Duncan:** To ask the Secretary of State for Education and Employment what plans he has to review the funding formula for education spending in Rutland. [40069]

Mr. Byers: The Government are reviewing the education standard spending assessment formula, which is used to provide support for local education authorities. Decisions on the methodology for 1999–2000 will be announced in the autumn.

School Governing Bodies

33. **Mr. Whittingdale:** To ask the Secretary of State for Education and Employment what representations he has received about the membership of school governing bodies. [40070]

Mr. Byers: My right hon. Friend the Secretary of State has received representations about minor authority representation on primary school governing bodies, although there was generally broad support for the proposals set out in the Technical Consultation Paper. Since the publication of the School Standards and Framework Bill he has received 116 such representations from hon. Members on behalf of Parish and Town Councils in their constituencies.

Student Statistics

34. **Mrs. Laing:** To ask the Secretary of State for Education and Employment how many students began courses at universities and colleges in the UK in *(a)* 1975, *(b)* 1980, *(c)* 1985 and *(d)* 1990. [40071]

Dr. Howells: The information requested is shown in the table:

Entrants to higher education in the UK

Academic Year	*Numbers (000)*
1975–76	322
1980–81	361
1985–86	433
1990–91	566

[1] Full-time and part-time, home and overseas, postgraduate and undergraduate. Includes the Open University

Playing Fields

Mr. Nicholas Winterton: To ask the Secretary of State for Education and Employment what estimate he has made of the decrease in acreage of school playing fields in each of the last three years. [40058]

Mr. Byers: The Department does not currently collate this information. Information will, however, be available after the School Standards and Framework Bill is enacted. From then, local authorities, governing bodies and foundation bodies will require the prior consent of my right hon. Friend the Secretary of State before disposing of school playing fields.

Key Test Results

Mr. Dorrell: To ask the Secretary of State for Education and Employment how many schools did not publish results for *(a)* Key Stage 2 tests and *(b)* Key Stage 3 tests in 1997. [40941]

Ms Estelle Morris: In January 1997 Local Education Authorities published comparative tables of primary school performance at Key Stage 2. Twenty three schools did not submit results for publication through the National Data Collection exercise. School performance data are only published for LEA maintained and GM maintained mainstream schools. This analysis, therefore does not include special schools. Schools whose results were unavailable for reasons beyond their control have also been excluded from this analysis. Data on individual school performance at Key Stage 3 were not published in 1997 and are now a matter for individual local education authorities, who are being encouraged to publish additional local information.

Education Funding

Mr. Peter Bradley: To ask the Secretary of State for Education and Employment what funding allocations for education, in addition to the revenue support grant, his Department has made since 1 May 1997 to *(a)* Shropshire County Council and *(b)* Telford and Wrekin Council. [40551]

Mr. Byers: The table shows the increase in non RSG funding for Shropshire and Telford and Wrekin County Councils that the Department has made since 1 May 1997.

Non-RSG funding for Shropshire and Telford and Wrekin —from 1 May 1997

£000

	Shropshire	*Telford and Wrekin*
Capital Allocations		
New Deal for Schools Round 1: 1997–98	185	[1]n/a
Supplementary Credit Approvals: 1997–98	500	[1]n/a
New Deal for Schools Round 2: 1998–99	1,184	674
Annual Capital Guideline: 1998–99	2,013	474
Supplementary Credit Approvals: 1998–99	2,151	166
Voluntary Aided Grant: 1998–99	120	246
Standards Fund		
Books for schools: 1997–98	233	[1]n/a
Publication of primary school performance tables: 1997–98	6	[1]n/a
Standards fund programme: 1998–99	2,394	1,997
Total	8,786	3,557
Grant under Section 488 of the Education Act 1996		
For the education of children of Travellers and displaced persons: 1997–98	[2]804	[2]—
For the education of children of Travellers and displaced persons: 1998–99	[2]826	[2]—

[1] Wrekin is a new LEA and therefore only eligible for funding from the beginning of 1998–99 financial year

[2] There are no separate figures available for these grants for Shropshire or Wrekin, as they are part of a consortium arrangement with eleven other authorities to deliver services under the Grant in the West Midlands region. Wrekin are included but do not have separate grants

Notes:

Figures for the 2nd round of New Deal for Schools allocations are totals to be phased over the next three years

Mr. Chaytor: To ask the Secretary of State for Education and Employment if he will list the changes made to the Further Education Funding Council's funding methodology for 1998–99 and their intended impact on participation rates. [40780]

Dr. Howells: The FEFC has introduced for the 1998/99 academic year a widening participation factor employing the DETR index of relative deprivation. In addition, all colleges below the convergence objective of £16.20 per funding unit will be lifted to that level in 1998/99 (except in respect of any franchised provision where the value of the unit would remain at the 1997/98 level); all colleges above the convergence level are expected to be brought to that level over the next three years. On dedicated provision delivered for an employer, the units claimable are reduced by one third. There will be an increase in the London weighting factor.

On the basis of the additional funds which the government have announced, the number of FEFC-funded FTE students are expected to be some 20,000 higher in the 1998/99 academic year than in 1997/98.

A-level Examinations

Mr. Fabricant: To ask the Secretary of State for Education and Employment if he will make a statement regarding the role of A-level examinations. [40052]

Dr. Howells: GCE A levels remain the principal qualification for young people taking advanced level programmes between the ages of 16 and 19. They are an important entry route into Higher Education. In line with our manifesto commitment, we have recently announced measures to broaden the A level curriculum, while maintaining rigorous standards.

New Deal (Cornwall)

Ms Atherton: To ask the Secretary of State for Education and Employment if he will make a statement on progress in the Cornwall New Deal Pathfinder. [40057]

Mr. Andrew Smith: It is, of course, early days for this ambitious undertaking, but I am encouraged by the start to the Cornwall New Deal Pathfinder. 1,919 Clients have been invited to initial Gateway interview. The destinations of the 380 who have left the Gateway are as follows:

106 into unsubsidised jobs;

140 into subsidised jobs;

76 into the Full Time Education and Training Options;

58 into the Voluntary Sector and Environment Task Force Option.

National Vocational Qualifications

Mr. Boswell: To ask the Secretary of State for Education and Employment what resources he is making available for the reappraisal and updating of current NVQ standards. [40054]

Dr. Howells: The resources available for updating occupational standards are estimated to be some £5 million this year.

Written Answers to Questions

Friday 8 May 1998

INTERNATIONAL DEVELOPMENT

Development Awareness Working Group

Mr. Davidson: To ask the Secretary of State for International Development if he will report on the outcome of the first meeting of the Development Awareness Working Group. [41487]

Mr. Foulkes: I chaired the first meeting of the Development Awareness Working Group on 31 March. We had a creative and constructive discussion about the opportunities for the Government to enhance their role in this area, and to add value to much of the excellent work which is already underway across the country. We agreed to establish three sub-groups to examine in more detail new themes and partnerships, key issues in relation to existing formal and non-formal structures, and lesson learning from others. The sub-groups will report back to the next full meeting of the Working Group, which is scheduled for 22 July. A fuller record of the meeting will be placed on the Department for International Development's Internet site.

MINISTER WITHOUT PORTFOLIO

Surfball

Mr. Mitchell: To ask the Minister without Portfolio (1) what expenditure has been undertaken by the New Millennium Experience Company on the development of Surfball; and which organisations have been consulted; [38620]

(2) what rights the New Millennium Experience Company has acquired over Surfball. [38621]

Mr. Mandelson: The "Serious Play" Zone within the Millennium Dome will include an interactive look at the world of sport and games in the 21st century, the details of which are still being worked up. "Surfball" was a working title used for illustrative purposes at the end of last year, when design proposals were at a very early stage. The New Millennium Experience Company does not intend to seek to register the name "Surfball" for any games or features which may form part of the content of the "Serious Play" Zone.

WALES

Health Authorities (Funding)

Mr. Barry Jones: To ask the Secretary of State for Wales what additional individual health authorities' allocations he has announced; and if he will make a statement. [40647]

Mr. Win Griffiths: I announced, in May 1997, £600,000 for breast cancer services which was disbursed to the health authorities and Trusts by the Cancer Services Co-ordinating Group and £2.5 million for primary care. In October 1997, I announced £9.5 million to assist with winter pressures. In December 1997, a cash increase of £113 million for NHS Wales in total for 1998–99 was announced by the Secretary of State, which included £60.2 million new money and an additional £1.3 million found from within the Welsh Office Block.

The 1998–99 NHS cash increase included £77 million in revenue funding, of which £65.8 million was allocated to health authorities, and also included an additional £2.4 million for cancer services and £0.5 million to tackle prescription fraud. Following the latest Budget, I announced on 18 March an additional £25.1 million for NHS Wales for 1998–99 to bring in-patient waiting lists down to the level when we took office. £18 million of the additional money has already been allocated and further guidance on its use will be issued shortly. The balance of the money will be used to address in year waiting list issues as they arise together with other initiatives such as preparing a Corporate Plan for NHS Wales and managing the Trust reconfiguration exercise.

Allocations directly to health authorities of the Winter Pressure money, the 1998–99 health authority cash increase and the Waiting List money are as follows:

	North Wales	*Dyfed Powys*	*Morgannwg*	*Bro Taf*	*Gwent*	*Total*
1997–98 Winter Care money	2.198	1.608	1.634	2.318	1.790	9.548
1998–99 cash increase[1]	13.627	9.679	10.200	18.709	13.547	65.763
Waiting List money	4.124	3.037	3.070	4.381	3.388	18.000

[1] Includes increases in discretionary allocations, GMS cash limited allocation and protected services allocations

Health Inequalities

Mr. Barry Jones: To ask the Secretary of State for Wales what progress he has made in ending health inequalities in Wales. [40659]

Mr. Win Griffiths: Progress has already been made in laying the foundations for improving health in Wales; for example, the NHS is already working toward 15 health gain targets for the next 5 years published by the Welsh Office in June 1997. Taken together, these are comprehensive and ambitious targets by which we can gain an overall measure of progress towards better health in Wales.

Gwent Tertiary College

Mr. Llew Smith: To ask the Secretary of State for Wales if he will place in the Library copies of the correspondence between his Department and the Chair of the Corporation of Gwent Tertiary College in the last six months. [41205]

Mr. Hain: I have received two letters from the Chairman of Gwent Tertiary College Further Education Corporation. Copies of my replies have been placed in the Library of the House.

Mr. Llew Smith: To ask the Secretary of State for Wales when he expects to reply to the questions from the hon. Member for Blaenau Gwent (38900, 38899) relating to ESF funding for Gwent Tertiary College. [41204]

Mr. Hain: I will write to my hon. Friend as soon as possible and place a copy of my reply in the Library of the House.

HOME DEPARTMENT

Young Offender Institutions

Mr. Allan: To ask the Secretary of State for the Home Department how many inmates of young offender institutions have *(a)* committed suicide, *(b)* attempted suicide and *(c)* been victims of violence, in each of the last three years for which figures are available; and if he will make a statement. [40024]

Ms Quin: The information requested is not available in the format requested. However, information is available on the number of self-inflicted deaths, the recorded incidents of self-harm and the recorded incidents of assault of a prisoner on a prisoner. It should be noted that not all self-inflicted deaths conclude with a verdict of suicide. The figures on self-harm and assault of a prisoner on a prisoner may include a number of incidents concerning the same prisoner. Definitions and methods of recording both these types of incident have also changed over time. The broader definition of incidents of self-harm is now used rather than attempted suicide. The figure for incidents of self-harm for 1997/98 is provisional.

	1995–96	*1996–97*	*1997–98*
Self-inflicted deaths	2	14	8
Reported self-harm	1,815	1,158	1,264
Reported assault of prisoner on prisoner	463	678	947

Judicial Hearings

Mr. Cox: To ask the Secretary of State for the Home Department how many cases were heard in England and Wales by a judge alone during 1997. [40909]

Mr. Michael: It is not clear to what type of case this question refers, but criminal cases tried on indictment in the Crown Court in England and Wales are heard by a judge sitting with a jury. The law and procedures governing civil trials are the responsibility of the Lord Chancellor.

Motorway Police

Mr. Hoyle: To ask the Secretary of State for the Home Department what plans he has to introduce a national motorway police force. [40616]

Mr. Michael: We have no such plans. Road traffic offences and general criminal offences do not arise in clearly separate ways which can be independently enforced. It is an advantage that traffic officers deal with all crimes which occur on the roads and, conversely, that police officers on general duties can take action against breaches of road traffic law.

Separating the enforcement of road traffic law from other types of police work would generate operational difficulties and lead to the wasteful duplication of resources. Traffic policing, whether on motorways or other roads, is central to the overall police responsibility for maintaining law and order and preventing and detecting crime.

Stop and Search

Mr. Singh: To ask the Secretary of State for the Home Department how many stop and search incidents took place in each division of the Metropolitan Police in 1996 and 1997; if he will provide the ethnic breakdown of those stopped and searched; how many arrests were made per 100 stops for each ethnic group; and if he will make a statement. [40824]

Mr. Michael: Stop and search policy remains an effective technique for dealing with individuals about whom the police have reasonable suspicion. The policy protects communities but needs to be operated fairly.

The results of the first full year of ethnic monitoring of police activity, which includes stop and search, arrests, cautions and homicides, was published on 8 December 1997 under section 95 of the Criminal Justice Act 1991. This requires the Home Secretary to publish annually information he considers appropriate to enable those engaged in the administration of criminal justice to avoid discriminating against any person on the ground of race, sex or any other improper ground. The data brought to light areas of concern, particularly the disproportionate impact of stop and search on black people, which need to be probed further. Ethnic monitoring of police activity is an important step forward as it allows police forces to identify areas in which they need to take action to ensure that all sections of the community receive equal treatment.

The Commissioner tells me that the Metropolitan Police will continue to review stop and search policy, systems and procedures to ensure that this valuable but potentially sensitive activity is properly used and understood. He tells me that a new approach is being examined in a number of divisions. I look forward to hearing the outcome of the study.

The Commissioner of Police of the Metropolis has provided tables of information on the Metropolitan Police's stop and search record for 1996 and 1997, copies of which have been placed in the Library.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Best Value Environmental Criteria

Mr. Truswell: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received concerning the inclusion of environmental criteria in consideration of best value. [40866]

Ms Armstrong: The closing date for responses on the Best Value Consultation Paper was 1 May. The responses are still being analysed although it is clear that a number of authorities have made representations about the importance of environmental matters in Best Value. Our conclusions will be published in a White Paper later this year. Although the Government will lay down the general framework for Best Value, it will be for local authorities to decide how to include environmental criteria in the consideration of Best Value, in consultation with the local community and against the background of progress in drawing up Local Agenda 21 strategies.

Greater London Authority

Ms Buck: To ask the Secretary of State for the Environment, Transport and the Regions how the Government intend to proceed with regard to the role of the Local government Commission in the event of a yes vote in the referendum on the Government's plans for a Greater London Authority. [41387]

Mr. Raynsford: I have issued a Direction to the Local Government Commission in accordance with Part II of the 1998 GLA Referendum Act. A copy of this has today been placed in the Library of the House.

Road Accident Fatalities

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions how many road accident fatalities there were in Coventry in each year since 1990. [40946]

Ms Glenda Jackson: The information requested is shown in the table.

Fatalities in Coventry Metropolitan District Council area: 1990–96

Year	*Number*
1990	10
1991	10
1992	10
1993	14
1994	8
1995	8
1996	8

Speed Limits

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions (1) what measures his Department is taking to improve enforcement of speed limits; [40947]

(2) what representations he has received in favour of a reduction in speed limits. [40948]

Ms Glenda Jackson: We receive a considerable number of letters from people seeking a reduction in speed limits. Highway authorities already have considerable scope for reducing limits on particular roads, but a greater challenge is to ensure more people comply with the limits. The enforcement of speed limits is an operational matter for the police and chief constables take this responsibility very seriously. To assist police in that task, we are currently discussing with colleagues a better funding system for speed enforcement cameras to encourage their more effective use.

AGRICULTURE, FISHERIES AND FOOD

Flood Defences

Ms Keeble: To ask the Minister of Agriculture, Fisheries and Food what assessment his Department has made of the state of repair of inland flood defences. [40593]

Mr. Morley: Responsibility for such assessments rests with the local operating authorities (Environment Agency, local authorities and Internal Drainage Boards). Whilst this Department has overall policy responsibility for flood defence in England and administers grant aid for capital defence schemes, the planning, design, construction, maintenance and operation of defence measures is the responsibility of the operating authorities. The Ministry calls for Medium Term Plans from operating authorities which indicate the need for capital works.

In recognition of their responsibility, the Environment Agency are implementing an Asset Register of Flood Defences which, inter alia, will record the state of repair of inland flood defences.

Equine Exports

Dr. Palmer: To ask the Minister of Agriculture, Fisheries and Food how many equines were exported from the UK in 1997, and to which individual countries of destination, *(a)* for slaughter, *(b)* for breeding, *(c)* for competition purposes and *(d)* for use as saddle horses. [40831]

Mr. Morley: The Overseas Trade Statistics show that a total of 6,247 horses were exported from the UK in 1997. None of these were exported for slaughter.

It is not possible separately to identify horses exported for competition purposes or as saddle horses. The table shows the recorded destinations of exported horses.

The data will be subject to a degree of statistical error. The overall level of errors will be low, but these errors will have a much greater proportional effect on countries with small volumes of recorded trade. Therefore great care is needed when interpreting the data in this table as it will inevitably include a number of errors.

Countries	*Pure bred breeding horses*	*Other horses*	*Total*
Irish Republic	1,331	1	1,332
Belgium-Luxembourg	3	667	670
U.S.A.	300	318	618
Netherlands	29	578	607
Germany	84	322	406
Abu Dhabi	291	51	342
Italy	311	1	312
Switzerland	32	217	249
Saudi Arabia	164	10	174
Australia	134	27	161
Turkey	134	0	134
France	117	10	127
Japan	112	5	117

Countries	Pure bred breeding horses	Other horses	Total
Norway	63	54	117
Macao	52	49	101
Canada	62	35	97
Kuwait	45	52	97
Hong Kong	54	21	75
India	70	0	70
Sweden	58	10	68
Ukraine	37	12	49
Malaysia	30	12	42
Denmark	21	15	36
Poland	33	1	34
Czech Republic	25	7	32
Yugoslavia	23	0	23
Russia	7	8	15
South Africa	4	8	12
Pakistan	10	0	10
Other	98	22	120
Grand total	3,734	2,513	6,247

Note:
All data are provisional and subject to amendment

Fisheries Commissioner

Mr. Baldry: To ask the Minister of Agriculture, Fisheries and Food if he will list the occasions since July 1995 when the UK Fisheries Minister has met the EC Commissioner with responsibility for fisheries matters and the location of each such meeting. [40923]

Mr. Morley: I or my predecessor as UK Fisheries Minister met the member of the European Commission with responsibility for fisheries on the following occasions since July 1995:

Date	Location
17 October 1995	Brussels
26 October 1995	Luxembourg
21–22 December 1995	Brussels
5 March 1996	Brussels
18 March 1996	London
22 April 1996	Luxembourg
4 June 1996	Brussels
10 June 1996	Luxembourg
14 October 1996	Luxembourg
22 November 1996	Brussels
19–20 December 1996	Brussels
14–15 April 1997	Luxembourg
20 May 1997	Brussels
18 September 1997	Vigo
30 October 1997	Luxembourg
18–19 December 1997	Brussels
8 January 1998	London
24 March 1998	Brussels

Genetically Modified Crops

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the potential impact on biodiversity, including the indirect effects on birds, of *(a)* genetically modified herbicide-tolerant crops in general, *(b)* a crop of genetically modified oil seed rape and *(c)* a crop of genetically modified sugar beet; what proposals he has to monitor such impact; and if he will make a statement. [40556]

Mr. Morley *[holding answer 7 May 1998]:* Under the legislation on release of genetically modified organisms (GMOs), the risk to human health and the environment is assessed on a case by case basis for each and every proposed release. This includes an assessment of the direct and indirect effects of the crops on other organisms, including birds.

Similarly, the possible risks to human health and the environment, including birds, from the use on a genetically modified herbicide tolerant crop of a herbicide to which it is tolerant, would be assessed in accordance with the pesticides legislation.

In 1997, the Department commissioned a programme of research on possible risks to the agricultural environment from the release of herbicide tolerant crops. This includes a three-year monitoring programme to look at the effects on plant biodiversity in field margins. A LINK research project is being put in place on the impacts and management of herbicide tolerance, which will include research into the effects on plant diversity within arable systems. The Department of the Environment, Transport and the Regions also has a research programme on the risks to the environment from the release of GMOs.

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food if the Novel Foods Regulation 258/97 requires food products containing oil extracted from genetically modified soy-beans to be labelled to refer to the use of genetically modified material. [41191]

Mr. Morley: The labelling of food ingredients derived from Monsanto's genetically modified (GM) soya beans is covered by Commission Regulation 1813/97. Detailed rules for these ingredients are to be decided at the Internal Market Council on 18 May.

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what steps he is taking during the United Kingdom's Presidency to achieve consistency of labelling for genetically modified foods across Europe under the Novel Foods Regulation 258/97; and if he will make a statement. [41190]

Mr. Morley: Under the United Kingdom's Presidency, we have been working hard to improve a Commission proposal on detailed labelling rules for genetically modified (GM) soya and maize ingredients to ensure that the rules are practical and meaningful to consumers. The UK proposals have attracted a large degree of support from other Member States, and the issue will be decided at the Internal Market Council on 18 May. I expect these rules to set a precedent for the labelling of GM foods under the Novel Foods Regulation (258/97).

Advisory Committee on Novel Foods and Processes

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food if the Advisory Committee on Novel Foods and Processes is permitted to take into account *(a)* wider environmental considerations and *(b)* ethical considerations when considering applications. [41192]

Mr. Morley: The Advisory Committee on Novel Foods and Processes (ACNFP) works closely with the Advisory Committee on Releases to the Environment (ACRE) in assessing the human and environmental safety of

genetically modified organisms in accordance with the requirements of the EC Novel Foods and Novel Food Ingredients Regulation (258/97).

The ACNFP considers ethical concerns as part of its normal approval process and to assist in this has a member specifically appointed with expertise in this area.

Transgenic Experiments

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food if animals which have been involved in transgenic experiments are deemed substantially equivalent in terms of their permissability for inclusion in the food chain. [41194]

Mr. Morley: Animals that have been genetically modified in transgenic experiments would be classed as genetically modified organisms within the meaning of Directive 90/220/EEC and would require a full safety assessment under article 1(2)a of the EC Novel Foods and Novel Food Ingredients Regulation (258/97).

TRADE AND INDUSTRY

Developing Countries

Dr. Tonge: To ask the President of the Board of Trade what consultation her Department has had with the Department for International Development regarding the offer of advice to companies currently investing or considering investment in developing and transitional countries. [41038]

Mrs. Roche: DTI officials work closely with those of the Department for International Development in taking forward all aspects of the Development White Paper, including providing advice about trade and investment opportunities in developing and transitional countries.

Multinational Investment

Dr. Tonge: To ask the President of the Board of Trade what consultation her Department has had with the Department for International Development concerning the forthcoming OECD guidelines on multinational investment. [41037]

Mrs. Roche: The Department has already undertaken wide consultation in developing initial positions on the issues relevant to the forthcoming review of the OECD Guidelines for Multinational Enterprises. The Department for International Development has taken a full part in the process of interdepartmental consultation and is working on an examination of the scope of existing voluntary codes of conduct. Business, trades unions and non-governmental organisations have also been consulted. It is our clear intention to continue consultation with all interested parties as the review process gets formally under way in June.

Export Credits Guarantee Scheme

Mr. Alan Simpson: To ask the President of the Board of Trade what United Kingdom content requirements are included in the eligibility criteria for the export credits guarantee scheme. [40629]

Mrs. Roche: ECGD's aim is to help exporters of UK goods and services to win business and as such limits the amount of support that can be given for the foreign content of a UK export contract. However, recognising that exporters sometimes have no choice but to source some elements of their contract from overseas, support is usually available in line with EU regulations or bilateral agreements with other export credit agencies for certain levels of foreign content in contracts.

Exports

Mr. Alan Simpson: To ask the President of the Board of Trade if she will list in order the 10 United Kingdom exporters who exported most by value, and their combined percentage of total United Kingdom exports, in the last available year. [40627]

Mrs. Roche: Information on exports by individual firms is not available from official sources. Results for 1996 from the Financial Times FT Exporters are given in the table. The FT figures are not comparable with the official figures for total exports; consequently, the Top 10 companies' share of the UK total is not available.

		£ million
1	British Aerospace	5,248
2	BP	4,483
3	Rover Group	4,005
4	Shell UK	3,357
5	IBM UK	3,069
6	British Steel	2,722
7	Ford Motor Company	2,611
8	Rolls-Royce	2,512
9	Motorola	2,208
10	Zeneca	2,076
Total of Top 10		32,291

Source:
The Financial Times FT Exporters

Cable and Wireless

Mr. Ian Stewart: To ask the President of the Board of Trade how much *(a)* EU and *(b)* other public funds were given to the Cable and Wireless cable modem trial in Greater Manchester; what consultation Cable and Wireless had with the Government about the termination of the trial; and what assessment she has made of the future of the cable modem trial. [40560]

Mrs. Roche: No EU or other public funds were used for the Cable and Wireless modem trial. Cable and Wireless funded the project in the normal course of commercial and technical development and they will evaluate the project's results. Two other, earlier, multi-media projects in the area using Framework IV and EU funds have utilised in part the Cable and Wireless network, but no public funds have been given to the Company themselves in this context.

Clinical Trials

Dr. Gibson: To ask the President of the Board of Trade if she will take regulatory steps to inhibit inflated claims and suppression of results of clinical trials in the biotechnology drug industry. [40638]

Mrs. Liddell: I have been asked to reply.

The London Stock Exchange is the Competent Authority for Listing in the UK and in this capacity acts to regulate the disclosure of information to the market by listed companies. Companies which are listed have continuing obligations of disclosure under the listing rules of the Exchange which are made under Part IV of the Financial Services Act 1986. Directors of listed companies must notify the market via the Exchange of changes in the company's expectation of its performance where knowledge of the change is likely to lead to substantial movement in the price of its shares. Such changes might, in the case of biotechnology companies, include the results of clinical trials. Where necessary the Exchange investigates possible breaches of the rules.

SCOTLAND

Spinal Injury Units

Mr. Wigley: To ask the Secretary of State for Scotland how many spinal injury units there are in Scotland. [40913]

Mr. Galbraith: There is one spinal injury unit in Scotland, located at the Southern General Hospital, Glasgow.

DEFENCE

Sewn and Knitted Products

Mr. Andrew George: To ask the Secretary of State for Defence what proportion of sewn and knitted products for service personnel sourced through UK companies is subsequently sub-contracted *(a)* elsewhere in the EU and *(b)* to non-EU organisations. [36819]

Mr. Spellar: The bulk of the procurement of sewn and knitted products for service personnel is carried out through the Defence Clothing and Textiles Agency and I have therefore asked the Chief Executive to write to the hon. Member.

Letter from Michael Roycroft to Mr. Andrew George, dated 8 May 1998:

I am replying to your Question to the Secretary of State for Defence about the proportion of sewn and knitted products for service personnel sourced through UK companies that is subsequently sub-contracted elsewhere in the EU and the non-EU organisations, as this matter falls within my area of responsibility as Chief Executive of the Defence Clothing and Textiles Agency.

Unfortunately this information is not available. Although at the outset of a contract we ask contractors to notify us of the value of subcontracts to be placed overseas, we do this in order that we can make sure individual manufacturing sites comply with our quality standards; we do not subsequently police the percentage of work carried out on different sites as it is ultimately the responsibility of the prime contractor to manage his subcontracts and the contract as a whole.

Staff Newsletters

Mr. Matthew Taylor: To ask the Secretary of State for Defence what are the current security classifications of the newsletters produced for the staff of *(a)* Armed Forces Personnel Administration Agency, *(b)* Defence Animal Centre and *(c)* Defence Bills Agency; how often each newsletter is produced; and when each newsletter was first produced. [40666]

Mr. Spellar: This is a matter for the Chief Executives of the Agencies concerned. I have asked them to write to the hon. Member.

Letter from Chris Winsland to Mr. Matthew Taylor, dated 8 May 1998:

I am replying to your Question to the Secretary of State for Defence about newsletters produced for the staff of the Armed Forces Personnel Administration Agency (AFPAA) as this matter falls within my area of responsibility as the Agency's Chief Executive.

I should explain that AFPAA formed as a Defence Agency on 1 April 1997; an initial AFPAA Newsletter was produced in October 1996 to outline the way ahead and our plans for launching the Agency. Newsletters were subsequently issued every 2 to 3 months and were generally timed to coincide with major developments in the Agency's procurement of a commercial partner.

The AFPAA's public/private partnership with EDS (Defence) Ltd became effective on 1 January 98. It is intended to issue a combined AFPAA/EDS Newsletter every 3 months.

I can confirm that the security classification of the Agency's Newsletter is unclassified.

Letter from J. A. Kneale to Mr. Matthew Taylor, dated 8 May 1998:

I am replying to your Question to the Secretary of State for Defence about newsletters produced for staff at the Defence Animal Centre (DAC), as this matter falls within my area of responsibility, as Chief Executive of the DAC.

I can confirm that the newsletter produced for staff at the DAC is unclassified, was first produced in April 1998 and will be produced on a quarterly basis.

If you require any further information please do not hesitate to contact me.

Letter from Iain Elrick to Mr. Matthew Taylor, dated 8 May 1998:

I am replying to your Question to the Secretary of State for Defence about the Defence Bills Agency's newsletter as this matter falls within my area of responsibility as the Agency Chief Executive.

The newsletter is unclassified and is circulated only to DBA staff. It is produced in-house every two months and was first produced in December 1996.

Live Firing Limits

Mr. Key: To ask the Secretary of State for Defence when the 130 decibel live firing limit on Salisbury Plains was established; how this figure was arrived at; with whom it was agreed; how often it has been breached in the past year; how many complaints have been received about live firing in the past year; and from whom. [41181]

Mr. Spellar: My Department has observed a voluntary limit of 130 decibels for live firing on Salisbury Plain Training Area since 1984, except in certain areas where such a limit would have a serious impact on training. This figure was set at a level that would allow normal training to be undertaken, while preventing unreasonable disturbance to the local community.

It is not currently possible to measure every noise event on Salisbury Plain throughout the year, and so determine on how many occasions, if any, noise from live firing has exceeded 130 decibels. However, a detailed noise monitoring survey was carried out during Exercise IRON TORNADO, an artillery concentration on Salisbury Plain in September 1997, which showed that noise in residential areas around the Plain did not exceed 125 decibels during the four day exercise.

Between 1 May 1997 and 30 April 1998, 45 complaints were made about the noise of live firing on Salisbury Plain, by local residents.

Hunting

Mr. Key: To ask the Secretary of State for Defence (1) when he decided to rescind the licence of the Royal Artillery Hunt; what consultation he had with *(a)* the general staff at HQ Land Command, Wilton and *(b)* the Royal Artillery Hunt; and when he will relicense the hunt; [41180]

(2) if he will list the licences which he has rescinded since 1 May 1997 in respect of hunting with hounds on his Department's land; and if he will make a statement. [41179]

Mr. Spellar: Three multi-year licences have been rescinded since 1 May 1997 in accordance with our policy of harmonising the issue of all hunting licences across the Defence Estate; this process is due to complete by the end of the month. The licences rescinded so far covered the Royal Artillery Hunt, the Avon Vale Hunt, and the South Wiltshire Hunt. The policy of harmonisation was explained to the hunts concerned in the notices of cancellation. Applications for new licences for the 1998–99 season, incorporating standard terms and conditions, will be considered in August from those hunts who have traditionally held licences or enjoyed such rights.

EDUCATION AND EMPLOYMENT

Schools

Mr. Dorrell: To ask the Secretary of State for Education and Employment if he will list for each local education authority in England *(a)* the number of maintained primary school places available, *(b)* the number of children attending maintained primary schools, *(c)* the number of maintained secondary school places available, *(d)* the number of children attending maintained secondary schools, *(e)* the proportion of available maintained primary school places which were unfilled and *(f)* the proportion of available maintained secondary school places which were unfilled for each of the last five years. [41178]

Mr. Byers: The information for the years 1994–1997, is given in tables, copies of which I have placed in the Library. Data for earlier years were not collected.

Science Subjects

Dr. Gibson: To ask the Secretary of State for Education and Employment what plans he has to increase the number of school students taking science subjects. [41159]

Ms Estelle Morris: The National Curriculum ensures that all pupils, from the age of 5 to 16, study science as a core subject. Our aim is to encourage post-16 students to study more subjects, including the sciences. The Government's recently announced response to the Qualifying for Success consultation will further encourage students to pursue broader studies post-16, while maintaining rigour and standards. Proposals include a new style AS qualification, which represents the first year of a full A level and smaller Advanced GNVQ programmes (including GNVQs in science and engineering).

Attention Deficit Hyperactivity Disorder

Mr. Burstow: To ask the Secretary of State for Education and Employment what representations he has received from parental support groups, LEAs and schools in response to the consultation document, Excellence for All Children: Meeting Special Education Needs, with specific reference to children with attention deficit hyperactivity disorder. [41209]

Ms Estelle Morris: The Department received some 3,600 responses to the special educational needs Green Paper. A very small number focused on attention deficit hyperactivity disorder. Respondents commented on the need for better identification of the disorder and appropriate medical and educational intervention. Our response to the Green Paper consultation exercise will set out how we will improve provision for all children with special educational needs.

Mr. Burstow: To ask the Secretary of State for Education and Employment what evaluation he has made of the possibility of screening children excluded from school for attention deficit hyperactivity disorder. [41197]

Ms Estelle Morris: Schools and local education authorities are under a duty to identify children's special educational needs and, where necessary, assess for a statement of need. Local education authorities' behaviour support plans should include information about local arrangements for establishing whether behavioural difficulties, including those which may lead to exclusion, stem from underlying medical conditions.

Drug Education

Mr. Jim Cunningham: To ask the Secretary of State for Education and Employment how much has been allocated for drug misuse education programmes in schools in each of the last five years. [40945]

Ms Estelle Morris: The Department made specific central support available to local education authorities for drug prevention and education work through the Grants for Education Support and Training (GEST) programme from 1995–96. Approximately £6 million was made available to support LEAs' drug education initiatives, including teacher training and innovative projects, each year up to 1997–98. Increased support of £7 million is being made available this financial year, through the Standards Fund programme, to assist primary and secondary schools and the youth service in delivering effective education about drugs. Other programmes in schools may be financed locally or from other sources.

Education Funding, Essex

Mr. Jenkin: To ask the Secretary of State for Education and Employment, pursuant to his oral statement of 8 April 1998, *Official Report*, column 351, if he will provide an extra £3.5 million for education in Essex. [40661]

Mr. Byers: As my right hon. Friend the Deputy Prime Minister has made clear, Essex's education SSA for 1998–99 is some £497 million—an increase of some

£27 million, or 5.8 per cent. The Government have no plans to reward the County Council with extra resources for failing to use all of this increase to support Essex schools.

Literacy Strategy

Mrs. May: To ask the Secretary of State for Education and Employment what consultations his Department held with external bodies, apart from the Literacy Task Force, on the literacy strategy prior to publication of that strategy; and if he will list those bodies. [40758]

Mr. Byers: The Department itself did not consult on the National Literacy Strategy. The Literacy Task Force had already consulted very widely before publishing its final recommendations for the strategy, which the Government accepted in full.

School Inspections

Mr. Cox: To ask the Secretary of State for Education and Employment how many Ofsted inspections took place in schools in England and Wales during 1997. [40928]

Mr. Byers: During 1997, 7,492 schools in England were inspected in accordance with section 10 of the School Inspections Act 1996. In addition, 165 schools were inspected as part of the pilot reviews of local education authorities, aspects of education were inspected in 2,419 schools (including 484 independent schools), and HM Inspectors conducted around 750 inspections of schools which required special measures. The Chief Inspector for Wales is responsible for the inspection of schools in Wales.

Teachers (Study Support)

Mrs. May: To ask the Secretary of State for Education and Employment whether discretionary payment will be available to teachers who undertake study support activities where those activities are funded from the school's delegated budget. [40995]

Mr. Byers: My right hon. Friend the Secretary of State announced on 30 March, following consultation on his proposals in response to the Seventh Report of the School Teachers' Review Body, that he had decided that, with effect from 1 September 1998, discretionary payment should be available for teachers who undertake out of school hours learning activity. Schools are free to use their delegated budgets towards such activity.

Sick and Disabled People (Personal Advisers)

Mr. Oaten: To ask the Secretary of State for Education and Employment if he will make a statement on progress made in establishing a network of personal advisers to help sick and disabled people overcome barriers to work; and what is the timetable for further plans relating to the scheme. [41062]

Mr. Alan Howarth *[holding answer 6 May 1998]:* The Secretaries of State for Education and Employment and for Social Security announced, on 9 March, plans to pilot the Personal Adviser service in 12 areas. The first six areas, to be run by the Employment Service, will start by October 1998. The remainder will be put out to open tender and start in early 1999. To help develop the shape of the Personal Adviser service we shall be holding a consultation event on 12 May. National implementation, probably from April 2000, will be considered in the light of the emerging lessons from these pilots.

Mr. Oaten: To ask the Secretary of State for Education and Employment what *(a)* qualification requirements and *(b)* compulsory training requirements there are for personal advisers for the New Deal for the long-term sick and disabled. [41061]

Mr. Alan Howarth *[holding answer 6 May 1998]:* A consultation event on the development of the Personal Adviser service will take place on 12 May 1998. Organisations representing the views of a wide range of disabled people have been invited. We will be considering in the light of this what, if any, compulsory training or qualification requirements there could usefully be.

Teachers of Technology

Mrs. May: To ask the Secretary of State for Education and Employment what assessment his Department has made of the IT skills of teachers of technology. [40361]

Dr. Howells: The Department conducts every two years a survey of Information Technology (IT) in Schools. It provides information about the level of provision and use of IT in schools, including the skill levels of teachers. The latest survey was conducted in 1996 and the results were published in March 1997. The results of the 1998 survey will be published later this year.

The Teacher Training Agency is about to issue a contract for the development of materials to assess the training needs of all teachers in Information and Communications Technology (ICT). These materials will enable all teachers, regardless of the subject or age range of pupils they teach, to assess their training and development needs. The needs assessment will help teachers prepare for the proposed lottery-funded ICT training programme for serving teachers. Training will ensure that all teachers have the skills necessary to use ICT effectively in the subject they teach.

SOCIAL SECURITY

Benefit Integrity Project

Mr. Jim Cunningham: To ask the Secretary of State for Social Security what progress has been made towards the improvement of decision-making procedures under the Benefit Integrity Project. [40781]

Mr. Denham: We have taken steps to introduce a number of improvements to the Benefit Integrity Project. It is important that decisions taken as a result of the project are right and these steps will improve the quality of, and confidence in, those decisions. We are preparing more informative literature, to enable people to tell us at an early stage if they feel they should not be contacted by the Project; we are arranging additional training for Adjudication Officers; we are also organising a speedier process to deal with reviews and appeals against decisions.

Also, on 9 February my right hon. Friend the Secretary of State for Social Security introduced changes to the Benefit Integrity Project to ensure that no decision to reduce benefit would be taken without seeking additional evidence. We are concerned about those cases where a decision was taken without the benefit of the new procedure that was introduced on 9 February, and on which the claimant has not already sought a review of the decision.

We are considering options for reviewing those cases but there are some legal and operational issues that we need to resolve as speedily as possible before deciding exactly how to proceed.

These positive and constructive changes demonstrate our determination that the actions of the Project are fair, and seen to be fair.

Disability Benefits

Mr. Jim Cunningham: To ask the Secretary of State for Social Security what assessment she has made of the adequacy of present levels of disability benefits in offsetting the additional cost of disability. [40782]

Mr. Denham: Attendance Allowance and Disability Living Allowance provide a contribution towards extra costs arising from the effects of disability. The structure of these benefits reflects findings from the Office of Population, Censuses and Surveys (OPCS) surveys of disability in Great Britain in the mid-1980s. These showed that locomotor and personal care disabilities were among the types of disability most strongly associated with higher than average additional expenditure arising from disability.

The 1996–97 disability follow-up to the Family Resources Survey will update our information on the financial circumstances of disabled people. It does not replicate the questions on extra spending from the earlier surveys, but it does ask respondents whether they incur extra costs, whether they receive help towards those costs, and whether they go without items they need because they cannot afford them. A report of the survey will be published towards the end of the year.

Mr. Jim Cunningham: To ask the Secretary of State for Social Security what representations she has received from disability organisations calling for a guaranteed minimum level of income to ensure equality between disabled and non-disabled people; and if she will make a statement. [40783]

Mr. Denham: We have received many representations on a range of issues relating to people with disabilities, some of which will have addressed the level of benefits.

Incontinence

Rev. Martin Smyth: To ask the Secretary of State for Social Security how many people have claimed incapacity benefit in each year since 1990–91 on the grounds of incontinence. [40194]

Mr. Pike: To ask the Secretary of State for Health how many people have claimed incapacity benefit in each year since 1990–91 on the grounds of incontinence. [41056]

Mr. Denham: I have been asked to reply.

Incontinence is a symptom of a number of different medical conditions rather than a diagnosis in itself and is therefore not recorded as a separate category in the International Classification of Diseases which the Department uses to record diagnoses underlying claims for Incapacity Benefit. The all-work test includes incontinence as a specific condition which, depending on the degree of disability, might lead to a decision that a claimant is incapable of work. Information on the numbers of cases where points have been scored within the incontinence category could be obtained only at disproportionate cost.

Child Support Agency

Ms Walley: To ask the Secretary of State for Social Security if she will suspend the internal restructuring of the Child Support Agency pending the outcome of the review; and if she will make a statement. [40181]

Mr. Keith Bradley: We are looking closely at all aspects of the Child Support scheme to see where improvements can be made. We aim to bring forward a consultation document on our proposals.

The administration of the Child Support Agency is a matter for the Chief Executive, Mrs. Faith Boardman. She will write to my hon. Friend.

Letter from Faith Boardman to Ms Joan Walley, dated 7 May 1998:

I am replying to your Parliamentary Question to the Secretary of State for Social Security about the changes being made to the Child Support Agency organisational structure. I thought it would be helpful to give you an explanation of the changes we are making and why we are unable to suspend our plans pending the review.

These changes will result in more jobs overall, much more face-to-face contact, and much more contact being carried out by telephone in a more personalised way than at present. They will also enable backroom paper processing work which involves no direct contact with the public to be done far more cost-effectively than at present; thus releasing funds which will be reinvested in improved service delivery and in keeping up with rising workloads. The results of the on-going reorganisation are already beginning to show. In 1997/98 the backlogs of outstanding cases were more than halved, and the amount of maintenance collected and arranged rose by over one third.

I can assure you that Ministers were made aware of the proposals for reorganisation before we embarked on changes and their wishes have been taken fully into account in the further work which we have done since. They require improvements to be made in the Agency's performance in the interval before implementation of any longer-term changes which may result from the review. Ministers have asked me to concentrate on improving the quantity and quality of direct personal contact (both by telephone and face to face); and with seeking ways in which this can be provided actively with other Agencies as a one-stop service for customers. That will be a primary outcome of the reorganisation. The objective is to find means of extending and *improving* the range and quality of active modern contact with customers whilst at the same time improving the efficiency of the Agency sufficiently to keep pace with the 50% increase in workloads over the next 3 years, and to improve compliance levels.

At present, over 95% of the staff years in local offices are not providing *any* face-to-face contact at all. They are employed on paper processing and are no more accessible to the public than those in the major processing centres. The number of CSA staff years which are devoted to face-to-face contact is currently only 120; in many locations there is less than one interview a day, and there is no Child Support presence in many Benefits Offices. The

reorganisation will enable us to more than quadruple the staff years used for face-to-face contact, and increase the locations at which it is available.

The Agency's plans for re-organising are fully in line with the Government strategy of modernising the delivery of public services. Many of the changes directly reflect the concerns expressed about accessibility and customer service during the recent discussion sessions which I have held with MPs and their support staff. As part of that, the Agency has looked at the whole range of ways in which it contacts its customers. Until this year that has been predominantly by paper which has been consistently criticised as too complex and impersonal.

I am quite convinced of the need for much increased face-to-face contact, not least because of its effectiveness in reducing the incidence of fraud, improving the explanations available to customers, and improving their compliance and co-operation. The reorganisation will significantly increase the availability of local face-to-face contact in a number of ways. As part of their wider strategy to improve face-to-face contact with DSS customers, the Government announced last year that CSA would be working more closely with their colleagues in the Benefits Agency which will provide customers with a one stop service. From 1 April 1998, Benefits Agency staff are interviewing and assisting all new Income Support parents with care to complete their maintenance application form, where appropriate.

Pilot studies have shown this to be both very cost effective and welcomed by individual customers. 75% of our parents with care will be interviewed at the time when they first come into contact with child support and most need information and help. Customers will have to provide information only once, thus reducing overlap and repetition of work. So you can see that for many customers there will be a noticeable improvement in the face-to-face contact without retaining a separate, duplicate CSA presence. Together with BA we will be looking to see how far we can extend this joint approach for parents with care.

Restructuring will allow CSA to offer significantly more face to face contact on a peripatetic basis, in a greater range of locations which we hope in future will also include for example, CAB premises. The CSA will then be able to concentrate on improving the service to new absent parents, by telephoning them at an early stage and, where necessary, offering individuals with particular problems an interview to ensure that information is gathered more quickly and that fewer absent parents begin with significant arrears.

As well as improving customer service there are sound resourcing reasons to support the re-organisation. Most of the current sites are very small and inflexible and impose considerable extra cost. Many offices have very few staff. For example, there are a number of offices with as few as four staff. It only takes one person to be on holiday and another to be ill and the effectiveness of the office is immediately reduced by 50%. In terms of accommodation alone, up to £8m will be released to be reinvested in better telephone services and more jobs to keep up with rising workloads and to finish clearing the backlogs.

Conversely, the centres provide significant economies of scale for processing paper and (with the reinvestment of such efficiency savings and the introduction of flexible working patterns) will be able to accommodate in excess of 1200 staff during the working day. Telephone availability to the public at the centres has already been extended from 9am to 5pm on Monday to Friday, initially to 8am up to 9pm and in the near future to weekends. That will allow CSA to be contacted by absent parents in particular in the privacy of their own homes rather than during the day when they are at work. And it will release local resources to provide much more face-to-face contact where that is needed.

Finally, I want to stress that we are making every effort to ensure that individual staff in the field will be taken care of and found suitable alternative work in their location. The movement of work will not take place overnight. Moving the backroom paper processing work which does not require face-to-face contact will be done in conjunction with improvements to face-to-face contact; to CSA's telephone service; and, with an increase in the staff resources and hours in the centres. Every support will be given to ensure that field staff are provided with alternatives and we certainly have no plans to make any member of staff redundant. The Agency is already in touch with the Benefits Agency and Employment Services who will have suitable vacancies in many areas over the next 2 years. Some field staff will be able to move with the paper work to the existing centre; and the Agency will be establishing a number of intermediate sized satellite centres which will provide further opportunities for staff in other areas.

Overall, the changes will result in *more* jobs (but in different locations); and enable us to provide both a more cost-efficient and accessible service. Throughout the period the Agency will continue to report regularly to Ministers and consult customer representative groups at both national and local levels to ensure that service standards are improved.

Disability Living Allowance

Ms Dari Taylor: To ask the Secretary of State for Social Security how many disability living allowance claimants in the area of Stockton-on-Tees Borough Council or the related DSS offices are presently in receipt of life-time awards of disability living allowance. [40200]

Mr. Denham: The administration of Disability Living Allowance is a matter for Mr. Peter Mathison, Chief Executive of the Benefits Agency. He will write to my hon. Friend.

Letter from Peter Mathison to Ms Dari Taylor, dated 7 May 1998:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking how many Disability Living Allowance (DLA) claimants in the area of Stockton-on-Tees Borough Council or the related DSS offices are presently in receipt of life time awards of DLA.

There are an estimated 5,000 DLA claimants in receipt of life time awards in the area covered by the Stockton-on-Tees Borough Council. Source: Analytical Services Division, based on a five per cent sample.

I hope that this is helpful.

Benefits Agency (Jarrow)

Mr. Hepburn: To ask the Secretary of State for Social Security if she will make a statement on the future of the Benefits Agency office in Jarrow. [39846]

Mr. Keith Bradley: The administration of the Benefits Agency is a matter for its Chief Executive, Peter Mathison. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Stephen Hepburn, dated 7 May 1998:

The Secretary of State for Social Security has asked me to reply to your recent parliamentary question asking about the future of the Benefits Agency (BA) office in Jarrow.

The original proposal to withdraw BA services from Jarrow has been reviewed as a result of the move towards building an Active Modern Service, the wider consultation process, public concern and the issues raised by yourself and other interested parties.

Ministers will be considering a revised proposal which will ensure that there will be no change in benefit service delivery to the Jarrow community. The proposal is to maintain a full Public Caller Office with full payment facilities located in the Viking Precinct, adjacent to the existing office. Amongst other things this will improve facilities for disabled people as the new site will have ground floor access. BA facilities are currently located on the first floor at Viking House. This move will allow the BA's Tyne Tees Area Director to manage the wider operational needs of the Area more effectively. The final decision on the proposal, subject to Ministerial approval, will involve full consultation with staff, Trade Union representatives, local MPs and any other interested parties. I can assure you that the BA is committed to maintaining an office in Jarrow.

I should explain that the BA is currently examining the way that all its services are provided to ensure that an equitable service is available to all our customers. We must ensure that there is a balance between the need for customers to have face to face contact with BA officers and the improved quality and increased cost effectiveness and quality improvements that come from concentrating staff in larger sites. Whilst the BA remains fully committed to providing a high standard of customer service, the service provided has to be affordable.

The current review of our business processes gives the BA the opportunity to provide better quality services, increased security and greater value for taxpayers' money. All proposed changes to service delivery within the BA are now being measured against the following criteria:

Wider access to our services for customers.

Improved accuracy, quality and security of service.

Achieving a fair balance between the needs of staff, policy and operational needs.

Increased efficiency and reduced costs.

I hope that this is helpful.

National Insurance

Ms Stuart: To ask the Secretary of State for Social Security what proportion of completed national insurance annual returns are rejected; and if she will provide a breakdown of the reasons given for rejection and the number of returns rejected by size of company. [39982]

Mr. Denham: The administration of National Insurance contribution records is a matter for George Bertram, the Chief Executive of the Contributions Agency. He will write to my hon. Friend with further details.

Letter from George Bertram to Ms Gisela Stuart:

As Chief Executive of the Contributions Agency I have responsibility for answering questions about operational matters relating to the Agency and the administration of the National Insurance (NI) scheme. I have been asked to reply to your question about the number of NI returns which are rejected.

During the 1997–98 year a total of 46,753,630 National Insurance contribution (NIC) items were accepted onto the National Insurance Recording system (NIRS) of which 2.6 per cent. were rejected for further clerical investigation.

There are many individual reasons why a contribution item is rejected, however the Contributions Agency records each rejected item under the following categories:

Statutory Sick Pay (SSP)/Maximum pay output—21,649 items rejected 1997/98

These items were rejected because the maximum annual SSP payment had been exceeded.

Employers Contracted Out Numbers and scheme Contracted out numbers—21,326 items rejected

These items omitted, or contained incorrect details of pension scheme identification numbers.

Ratio Check failures—239,994 items rejected

NIRS undertakes a number of checks to validate the financial information contained on annual returns. The items rejected under this category failed the criteria for acceptance by the system, for example:

The NICs recorded are not in the correct ratio and do not agree with the amounts and category letter used.

Compatibility Reports—126,311 items rejected

This is where the category letter entered on the End of year Return does not match the existing liability recorded on the NI account.

Excess Reports—179,275 items rejected

These items are rejected because the NICs exceed the annual maximum.

Non Matching items—657,564 items rejected

These items are rejected because the personal details and NI number details shown on the P14 do not match those held on the NI account.

Turning to the final part of your question I am afraid that I am unable to provide information relating to the number of returns rejected by size of company. There is no tracking system on NIRS to identify rejected individual annual returns against employers scheme details.

HEALTH

Review Panels

Mr. Woolas: To ask the Secretary of State for Health what plans he has to change the procedures of the Health Service independent review panels in respect of access by complainants to the defendant's evidence. [34235]

Mr. Milburn: We will be commissioning an independent evaluation of the National Health Service complaints procedures later this year. Discussions on possible changes to the procedures will be taken in the light of the outcome of the evaluation.

Physiotherapy

Mr. Nicholls: To ask the Secretary of State for Health what is the average pay for *(a)* physiotherapists, *(b)* consultants and *(c)* GPs. [34543]

Mr. Milburn: Physiotherapists' pay is dependent on a wide range of factors such as grade and length of service. From December 1998, the Senior I salary scale recommended by the Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine runs from £18,755 to £21,485. Details of other physiotherapy grades are in the Review Body's 1998 Report. Consultant salaries effective from December 1998 run from £45,740 to £59,040, with discretionary points up to £70,850. The average intended net income for general practitioners is £49,450 from December 1998. Earnings from achieving higher childhood immunisation and cervical screening targets, estimated by the Review Body on Doctors' and Dentists' Remuneration at £3,500 for the average GP, are extra.

Committee on the Toxicity of Chemicals in Food, Consumer Products and the Environment

Mr. Todd: To ask the Secretary of State for Health if he will list *(a)* the members and *(b)* the proportion of members of the Committee on the Toxicity of Chemicals in Food, Consumer Products and the Environment who provide research support or consultancy services to pharmaceutical companies. [39374]

Ms Jowell: Members of the Committee on the Toxicity of Chemicals in Food, Consumer Products and the Environment (COT) are appointed by the Chief Medical Officer. A number of new appointments were made recently and these came into effect on 1 April. A full list of the current membership with their declared interests is given in the table. The previous committee members, and their declared interests, can be found in the 1996 COT Annual Report, copies of which have been placed in the Library.

Committee on the Toxicity of Chemicals in Food, Consumer Products and the Environment
Membership and declaration of interests—as of 1 April 1998

	Personal interest		*Non personal interest*	
Member	*Company*	*Interest*	*Company*	*Interest*
Prof. H. F. Woods (Chairman) Head of Department of Medicine Pharmacology and Therapeutics University of Sheffield	Halifax Bank	Shares	Wide range of national and international food and chemical companies.	Has extensive activity in teaching and research in nutrition and toxicology and in topics related to and supported by many companies in the food and chemical industry. Trustee of Hallamshire Therapeutic Research Trust Ltd, Harry Bottom Charitable Trust and Special Trustees for the former United Sheffield Hospitals.
Prof. P. J. Aggett Vice Chairman. Head of Lancashire Postgraduate School of Medicine and Health	None	None	Nutricia Milupa SMA Nutrition Unilever Nestlé	Research Support Research Support Research Support Institute intellectual agreement Meeting Support
Dr. N. A. Brown Senior Scientist, Medical Research Council Experimental Embryology and Teratology Unit and Honorary Senior Lecturer, Department of Child Health, St. George's Hospital, University of London	Glaxo Shook, Hardy and Bacon Styrene Information Research Control Du Pont	Consultancy Consultancy Consultancy Consultancy	EC (DGXII) Glaxo Wellcome Trust US EPA	Research Support Research Support Fellowship and research support Research Support
Dr. P. Carthew Unit Pathologist at Medical Research Council Toxicology Unit	Cortecs Cambridge Antibody Technology	Share holder Consultancy	None	None
Dr. J. K. Chipman Senior Lecturer at the School of Biochemistry, University of Birmingham	Boots	Consultancy	Astra Glaxo—Wellcome STD Pharmaceutical Ltd Water Research Centre Zeneca, Safety of Medicine Zeneca, Central Toxicology Laboratory	MRC Collaborative Research Award Research Support Research Support Research Support CASE research award MRC Collaborative Research Award
Dr. M. Joffe Senior Lecturer in Public Health, Imperial College of Science, Technology and Medicine, St. Mary's Hospital Medical School	Ilzro Woolwich Abbey National	Research grant Share holder Share holder	None	None
Dr. I. Kimber Research Manager, Cell and Molecular and Immunology, ZENECA Toxicology Laboratory	British Airways British Petroleum ICI ICI Zeneca Zeneca	Share holder Share holder Share holder Consultant Share holder Employee	Unilever plc	Grant for Research
Prof. A. G. Renwick Professor of Biochemical Pharmacology, University of Southampton	International Sweeteners Association	Consultant	Hoffmann-La Roche Unilever SmithKline Beecham	Research Support Research Support Research Support

Committee on the Toxicity of Chemicals in Food, Consumer Products and the Environment
Membership and declaration of interests—as of 1 April 1998

	Personal interest		Non personal interest	
Member	*Company*	*Interest*	*Company*	*Interest*
Prof. P. A. Routledge Professor of Clinical Pharmacology and Head of Division of Anaesthetics and Pharmacology, University of Wales College of Medicine	Health Care Services Edinburgh	Fee	Paracetamol Information Centre	Member of Advisory Group
Prof. I. R. Rowland Professor of Human Nutrition, Northern Ireland Centre for Diet and Health, University of Ulster	None	None	Coca Cola Unilever Biscuit Coca Chocolate Confectionery Alliance Kelloggs St. Ivel Kirin Brewery Scotia Lipioteknik/Scotia Pharmaceuticals Medici Pharmaceuticals	Research support Fellowship/Research Support Research Support Research Support Research Support Research Support Research Support Research Support Research Support
Dr. L. Rushton Head of Epidemiology and Modelling Group, Institute of Environment and Health, University of Leicester	Institute of Petroleum Transport and General Workers Union	Consultancy, contracts and grants, now lapsed Consultancy	Concawe European Union	Contract to Institute for Environment and Health Contract to Institute for Environment and Health
Ms J. Salfield Public Health Nutritionist, School of Leisure and Food Management, Sheffield Hallam University	None	None	None	None
Dr. A. Smith Head of Section of Molecular Toxicology, Medical Research Council Toxicology Unit, University of Leicester	British Telecom	Share holder	Rhône Poulence	Research Support
Prof. S. Strobel Professor of Clinical Pharmacology and Head of Division of Anaesthetics and Pharmacology, University of Wales College of Medicine	None	None	None	None
Dr. A. Thomas Consultant Physician with special responsibility for the elderly, Plymouth Hospital NHS Trust	None	None	None	None
Prof. J. A. Timbrell Professor of Biochemical Toxicology, Department of Pharmacy, King's College, London	Shook, Hardy and Bacon (Law firm) Sorex Ltd	Occasional fee Occasional fee	Glaxo Wellcome Taisho Pharmaceutical Co	Research Support Research Support
Dr. M. Tucker Independent	Zeneca	Pension	None	None

Child Mortality (Medical Errors)

Mr. Cox: To ask the Secretary of State for Health how many children died in England and Wales during 1997 as a result of medical errors which occurred while the children were in hospital. [40910]

Mr. Milburn: I refer my hon. Friend to the reply I gave my hon. Friend the Member for Newport, West (Mr. Flynn) on 3 February 1998, *Official Report*, column *614*.

Child Mental Health Services

Mrs. Golding: To ask the Secretary of State for Health if he will make a statement on his Department's priorities regarding child and adolescent mental health services. [40674]

Mr. Boateng: The importance of developing comprehensive child and adolescent mental health services was recognised as a medium term priority and objective in the Priorities and Planning Guidance for the National Health Service in 1996–97 and 1997–98, and

cross-referencing emphasis was included in the Children's Services Planning Guidance for Local Authorities issued in 1996. Enabling people of all ages with mental illness to receive effective care and treatment in the most appropriate setting in accordance with their needs is identified as a development area in the Priorities and Planning Guidance for 1998–99. Implementation of national policy guidance on child and adolescent mental health is being led by the regional offices of the NHS Executive in collaboration with social care regions. A number of reviews of services have been undertaken and local action plans developed.

Public Bodies

Mr. Öpik: To ask the Secretary of State for Health how many and what proportion of his Department's appointees to non-departmental public bodies are (i) aged under 25, (ii) aged 25 to 30 and (iii) aged 31 to 35 years. [40737]

Mr. Milburn: Of the 632 appointees to the Department's non-departmental public bodies, (i) none are aged under 25 (0 per cent.); (ii) 1 is aged 25 to 30 (0.16 per cent.); and (iii) 4 are aged 31 to 35 years (0.63 per cent.).

The Department, like all Government Departments, is committed to encouraging a wide range of candidates to apply for positions on the boards of its public bodies, reflecting the diverse society in which we live. This includes encouraging more young people to put themselves forward as potential candidates for public appointments. All appointments are made on merit and candidates must demonstrate that they have the necessary skills and experience to match the needs of the public body on which they wish to serve.

Non-amalgam Fillings

Mr. Gordon Prentice: To ask the Secretary of State for Health what research he has commissioned on the health risks of leaching from non-amalgam fillings. [41020]

Mr. Milburn: None at present. We are awaiting recommendations from the European Commission which has established an expert group to consider dental amalgam within the Medical Devices Directive. The group, which has also given some consideration to other restorative materials, is expected to report later this year.

Departmental Research

Dr. Starkey: To ask the Secretary of State for Health (1) what percentage of applications, in relation to his Department's research budget, were from women, for *(a)* project grants, *(b)* programme grants, *(c)* special grants intended for new investigators, *(d)* studentships and *(e)* fellowships, in 1997 and each of the two previous years; [40877]

(2) what percentage of applications from women, in relation to his Department's research budget, were successful for *(a)* project grants, *(b)* programme grants, *(c)* special grants intended for new investigators, *(d)* studentships and *(e)* fellowships, in 1997 and each of the two previous years. [40876]

Ms Jowell: The Department does not consider applications for research grants as such. Research supported directly by the Department is commissioned according to Departmental needs. Research contracts are awarded on scientific merit, following competitive tendering exercises and peer review by qualified referees. The Department does not collect information on the gender of those bidding for Departmental research and development contracts.

The National Health Service research and development programme includes some provision at a regional level for research projects and capacity development which are awarded in response to applications from researchers. However, information on the gender of applicants is not collected.

Community Health Councils

Mr. Love: To ask the Secretary of State for Health if he will make a statement on the relationship he proposes between community health councils and the new primary care groups. [41112]

Mr. Milburn: Primary Care Groups are expected to have effective arrangements for public involvement, including establishing a suitable relationship with community health councils.

Mr. Love: To ask the Secretary of State for Health what changes he is planning to the role and remit of community health councils; and if he will make a statement. [41111]

Mr. Milburn: No immediate changes to the role and remit of community health councils are planned.

Ritalin

Mr. Burstow: To ask the Secretary of State for Health what evaluation his Department has made of *(a)* the effectiveness and *(b)* the side-effects of Ritalin; and what guidance it provides on prescribing the drug. [41208]

Mr. Milburn: Ritalin (methylphenidate) has been assessed by the normal procedures for licensing of medicinal products in the United Kingdom to ensure its efficacy, safety and quality. The safety and adverse effects of Ritalin continue to be monitored by the Medicines Control Agency. Ritalin has controlled drug status, which imposes restrictions on prescribing and handling. Treatment should be under the supervision of a specialist in childhood behavioural disorders. Guidance on prescribing Ritalin is provided in the product information which is produced by the manufacturer and authorised by the Licensing Authority.

Drug Misuse

Mr. Jim Cunningham: To ask the Secretary of State for Health how much was allocated to treatment programmes for drug misusers in Coventry in each of the last five years. [40899]

Mr. Milburn: Spending by Coventry Health Authority and the local authority on drug misuse treatment programmes over the last 5 years is listed:

	£
1993–94	348,000
1994–95	388,000
1995–96	449,000
1996–97	452,000
1997–98	538,000

Source:
Coventry Health Authority

The majority of this expenditure was National Health Service related in the provision of community services and inpatient detoxification programmes.

FOREIGN AND COMMONWEALTH AFFAIRS

Sierra Leone

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) if he will set up an independent inquiry into the allegations that a British firm or firms were involved in the supply of arms to Sierra Leone; [41186]

(2) when he was first informed of the allegations that a British firm or firms were involved in the supply of arms to Sierra Leone; [41189]

(3) who is conducting the inquiries that have been established into the allegations that a British firm or firms were involved in the supply of arms to Sierra Leone; [41184]

(4) if the reports of the inquiries that have been established into the allegations that a British firm or firms were involved in the supply of arms to Sierra Leone will be published in full; [41185]

(5) when officials in his Department first became aware that a British firm or firms were involved in the supply of arms to Sierra Leone; [41188]

(6) what assessment he has made of compliance with UN resolutions by British firms supplying arms to Sierra Leone; [41187]

(7) what are the terms of reference of the inquiries that have been established into the allegations that a British firm or firms were involved in the supply of arms to Sierra Leone: [41183]

Mr. Robin Cook: I refer the right hon. and learned Member to the answer I gave to the Private Notice Question he tabled on 6 May 1998, *Official Report*, columns 721–731.

Mr. Redwood: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the Government's policy towards arms sales to Sierra Leone. [41113]

Mr. Robin Cook: Our policy is clear. We were instrumental in drawing up UN Security Council Resolution 1132, which prohibits the sale of arms and related material of all types to Sierra Leone.

Sir John Stanley: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) on what date Ministers in his Department were first informed that his Department had asked Her Majesty's Customs and Excise to investigate arms sales to Sierra Leone; [41339]

(2) on what date his Department asked Her Majesty's Customs and Excise to investigate arms sales to Sierra Leone. [41340]

Mr. Robin Cook: I refer the right hon. Member to the answer I gave to the Private Notice Question tabled by the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) on 6 May 1998, *Official Report*, columns 721–31.

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PARLIAMENTARY DEBATES

OFFICIAL REPORT

SIXTH SERIES **VOLUME 311**

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Oral and Written Parliamentary Questions are indexed under subject headings and the names of Members asking and Ministers replying to them. Questions are not listed under the names of Departments replying. Departmental listings can be arrived at indirectly by looking under the names of the Minister(s) of that Department. There are, however, the headings 'Northern Ireland', 'Scotland', and 'Wales' under which one can find not only most Questions answered by the Northern Ireland Office, Scottish Office, Welsh Office but also Questions about these areas of the United Kingdom which are answered by other Departments. Ministerial statements are indexed under subject headings, under 'Ministerial statements' and the names of Ministers making them and Members speaking on them. General debates are indexed under broad subject headings and under the names of all Members and Ministers taking part. Debates on legislation (Bills, Orders, Regulations etc.) are indexed under the name of the Bill, Statutory Instruments etc, under subject headings and under the names of those taking part.

Rulings and Statements by Speaker and deputies are brought together under the heading 'Speaker's rulings and statements'.

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The date of each item except Parliamentary Questions is inserted immediately before the reference.

Members' names are given in the form by which they prefer to be known and are printed in bold italics. Under their names, entries are arranged under one of the two headings *Debates, etc.* (to include interventions on statements, points of order and so on) or *Questions.*

Abbreviations

Bills 1R = first reading, 2R = second reading, Money res = money resolution, Comm = Committee stage, Rep = Report stage, 3R = third reading, amendt/amendts = amendment/amendments, * = matter taken formally, without debate.

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